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U.S. Rejects New Soviet Trade Ban

Advisers Sought Oil, Gas Controls

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — The Reagan administration, ignoring the recommendation of an interagency advisory group made shortly after the Sept. 1 destruction of a South Korean airliner, has decided against tightening controls over exports of oil and gas equipment to the Soviet Union, according to administration officials.

The decision, disclosed Tuesday, signals a reluctance to put further bars on trade with Moscow, and helps the United States avoid new trade frictions, such as those arising from last year's sanctions against selling equipment for construction of the natural gas pipeline from Siberia to Western Europe.

The Russians have announced their intention to begin a huge oil exploration and drilling program in the Barents Sea similar to U.S. efforts on the North Slope of Alaska over the last decade.

Because its oil production has peaked, the Soviet Union is expected to spend $25 billion trying to find new oil with equipment purchased largely from the industrialized nations.

Discussions with some American business leaders are expected during the Agribusiness U.S.A. 1983 exhibition that is being put on by the U.S.-U.S.S.R. Trade and Economic Council from Oct. 18 to 25 in Moscow, according to officials.

The administration's decision appears to represent a victory for Secretary of State George P. Shultz and Commerce Secretary Malcolm Baldrige and a defeat for William P. Clark, the national security adviser, who had urged tougher action, as recommended by a lower-level interagency advisory group.

This body, under the chairmanship of Lawrence J. Brady, assistant secretary of commerce for trade administration, proposed on Sept. 13 that 17 oil and gas exploration products be placed under national security export controls instead of foreign policy controls that now apply.

Under national security controls, the Defense Department, which has generally opposed most trade with the Russians, has a major say. Under foreign policy controls, the State Department, which is less opposed, has a major say.

Mr. Shultz and Mr. Baldrige, who form a strong pro-trade alliance in the cabinet, were both reported to be angry that their subordinates had not pressed their case harder in the interagency group.

The situation became more incendiary with a letter dated Sept. 19 from Mr. Clark urging the two cabinet officers to carry out the decisions. Mr. Clark was apparently acting on his own behalf and not on the president's, according to officials on both sides of the issue.

"Although this process was proceeding independent of the KAL shootdown, the recommendation for this adjustment for these high-technology strategic items could be timely," Mr. Clark wrote.

The letter was likened by one source to "a hand grenade in the

(Continued on Page 2, Col. 5)

United Press International

Edward L. Rowny, left, the chief U.S. negotiator at the Geneva talks on limiting strategic weapons, and Viktor L. Karpov, the chief Soviet negotiator in Geneva on Wednesday. Tass said the United States was offering "nothing but words" in its latest arms proposal. Page 2.

Redesigning the Arms Control Talks

Reagan Proposals Are Giving Congress a Bigger Voice

By Leslie H. Gelb
New York Times Service

WASHINGTON — President Ronald Reagan's new strategic arms proposal is widely seen here as a significant advance toward compromise with the Soviet Union that will make arms control policy a tougher target for domestic critics.

In the proposal, which was formally announced Tuesday, Mr. Reagan met the main concerns of an influential group of legislators and defense specialists by agreeing to redesign the so-called build-down idea, which provides that the deployment of new warheads must be accompanied by the destruction of older ones.

Under the proposal, the deployment of powerful fixed, land-based missile warheads would result in more warhead reductions than deployment of sea-based and mobile land-based missile warheads, so that modernization would be channeled toward less vulnerable and less threatening mobile systems.

By showing a willingness to reduce the number of bombers, and by putting lower limits on planned bombers that carry air-launched cruise missiles and on the highly accurate D-5 submarine-launched missile, the administration also moved to meet some of the Soviet Union's major demands.

This does not mean that administration officials think Moscow will respond eagerly or positively or that major differences have been resolved. For the moment at least, they see Soviet leaders as ill-disposed toward dealing with the administration because of the shooting down of the South Korean airliner last month.

In recognition of this, officials said there was considerable sentiment in the administration against making the proposal to the Soviet delegation in Geneva at this time. Instead, some are suggesting a delay until the atmosphere improves and until Secretary of State George P. Shultz might go to Moscow and present the ideas directly to Soviet leaders.

Nor does it mean that the congressional critics and outside experts who helped fashion the proposal believe their job is done. In a move several legislators and outside experts described as of great importance, these elements succeeded in putting one of their own into the negotiating delegation, "to watch things," as a legislator put it.

R. James Woolsey, an undersecretary of the navy in the Carter administration and a member of the *President's Commission* on Strategic Forces, will join the delegation when talks resume in Geneva this week. Further, according to officials, he is expected to become a member, if not the chairman, of a proposed special working group to discuss the build-down idea with the Russians.

This group, which will operate parallel to the formal negotiations

NEWS ANALYSIS

if Moscow agrees, is seen by a number of legislators and officials as a way of getting around Edward L. Rowny, the chief U.S. negotiator, whom they see as an obstacle to a treaty.

Officials said Mr. Rowny and Kenneth L. Adelman, the director of the Arms Control and Disarmament Agency, were the strongest opponents within the administration of the proposals. They were said to have argued that the United States had already lost credibility by changing its negotiating position too many times under domestic pressure.

In the formal negotiations in Geneva, Mr. Rowny will be instructed to present a modified version of the existing proposal. That calls for a reduction in each side's missile warheads by about one-third to 5,000, plus a formula for closing the 3-to-1 Soviet advantage in missile throw-weight, or payload.

Moscow wants to put a ceiling on all "nuclear charges," that is, missile warheads, bombs and air-launched cruise missiles, and does not want any limits on throw-weight.

To make the new U.S. approach more attractive, Mr. Rowny is instructed to drop the subceiling of 2,500 land-based missile warheads within the overall 5,000-warhead limit. This would permit Moscow to keep more of its powerful land-based missiles.

Officials said the administration was prepared to reduce its strategic bomber fleet to below 400 and limit the number of cruise missiles launched from the bombers to 3,500 instead of the previously proposed 8,000.

In the proposed parallel talks to

(Continued on Page 2, Col. 7)

Nobel Prize Goes to Walesa

West, Church Hail Choice; Regime Silent

Compiled by Our Staff From Dispatches

GDANSK, Poland — Lech Walesa gave a shout of joy Wednesday and was tossed in the air by friends as they learned that he was the recipient of the 1983 Nobel Peace Prize.

Mr. Walesa said they heard the news on a car radio as he drove with friends on a mushroom-picking trip in woods about 50 miles (80 kilometers) from Gdansk.

On his return to his apartment in Gdansk, Mr. Walesa was greeted by a crowd of about 1,000, who chanted his name and the name of the outlawed Solidarity trade union that he headed.

Leaning from his apartment window, Mr. Walesa said he would donate the cash award of 1.5 million Swedish kronor, about $190,000 to a proposed Roman Catholic Church fund to channel aid to Poland's private farmers.

Mr. Walesa said he would not seek to go to Norway himself but would ask permission from the authorities for his wife, Danuta, to go to accept the award for him.

There was no immediate official reaction from the authorities, but Andzej Konopacki, a government spokesman, said, "The award used to mean something. This depreciates the prize. It's politically motivated."

State radio made no mention of the award on its midday news bulletin, and nearly four hours after the announcement had been made in Oslo the official news agency, PAP, had not reported it.

Henryk Brunke, a spokesman for Poland's Roman Catholic Episcopate, said, "He deserved the award. He needs it to keep up his spirits."

In Vatican City, Pope John Paul II sent his "cordial congratulations" in a telegram to Mr. Walesa, praising him for trying to solve the problems "of the workers and society" in Poland. He added that the efforts were undertaken "through a peaceful way of sincere dialogue and reciprocal cooperation of all."

The Polish-born pontiff has been a strong supporter of Solidarity.

Western governments hailed the choice Wednesday as a tribute to a struggle for freedom. In the Soviet Union and most of the Communist bloc, however, the news was stifled.

In Washington, Larry M. Speakes, the chief White House spokesman, said President Ronald Reagan was "gratified that Lech Walesa and all those in Poland who fought so long and hard for peaceful change" had been recognized.

In Paris, Prime Minister Pierre Mauroy said Mr. Walesa "is a man who struggles for freedom in an almost universal way. We like to see in this the symbol of all those in the world who struggle against dictatorship and high-handedness."

Chancellor Helmut Kohl of West Germany congratulated the Polish labor leader, saying, "Your courage, the solidarity of your friends and the firm faith of the Polish people are an encouraging example for all people concerned about the cause of freedom."

In London, Prime Minster Margaret Thatcher's office said: "It is a great honor for the individual," and the Labor Party's new leader, Neil Kinnock, said, "Lech Walesa is one of my heroes."

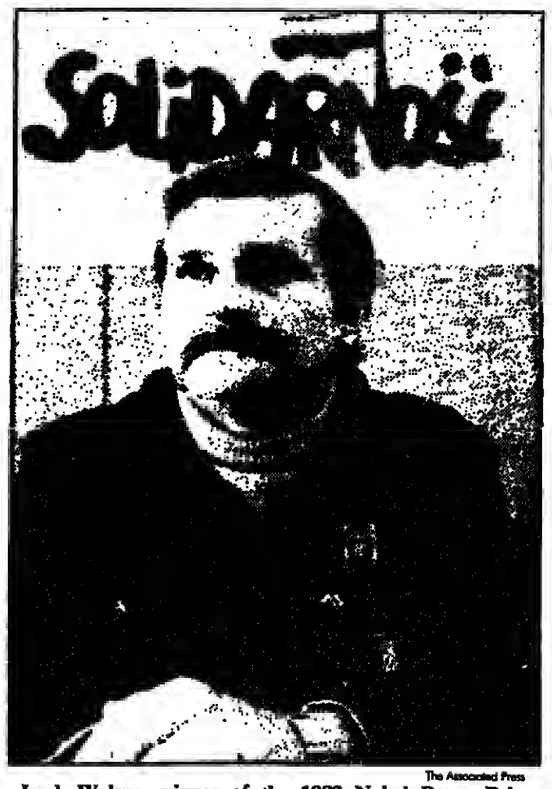
François Blanchard, president of the Geneva-based International Labor Organization, said the award "has given recognition to a worker and to the crucial importance of the principle of freedom of association."

In Hollywood, Florida, Lane Kirkland, president of the American Federation of Labor and Congress of Industrial Organizations, told a meeting of labor delegates, "It is incumbent on us . . . to add what we can to the worldwide demand that he go to Stockholm to receive that prize."

■ **Bomb Threat in Stockholm**

The Stockholm Stock Exchange building, which also houses the Swedish Academy of Letters, was evacuated Wednesday after a caller said a bomb had been placed there to protest the awarding of the peace prize to Mr. Walesa, The Associated Press quoted the national news agency TT as reporting.

An anonymous caller from Italy to the Academy of Letters said the Red Brigades terrorist group had placed a bomb in the building to protest the award, the news agency said.



The Associated Press

Lech Walesa, winner of the 1983 Nobel Peace Prize.

Peace Panel Cites Struggle For Solidarity

By John Vinocur
New York Times Service

OSLO — Lech Walesa, the leader of Solidarity, the outlawed Polish trade union, was awarded the 1983 Nobel Peace Prize on Wednesday for his struggle for workers' rights.

The prize citation from the Norwegian Nobel committee described Mr. Walesa as an "inspiration and an example" and as "an exponent of the active longing for peace and freedom which exists, in spite of unequal conditions, unconquered in all the peoples of the world."

The committee's chairman, Egil Aarvik, compared the Polish leader to two previous laureates, the Rev. Martin Luther King Jr. and Andrei D. Sakharov, the Soviet dissident. Each man, he said, had furthered the cause of peace through his work in favor of human rights.

Mr. Walesa, an electrician, was a leader of the shipyard strike in Gdansk in August 1980 that led to the Polish authorities allowing the establishment of a free trade union, an unparalleled event in the history of Soviet-dominated Eastern Europe.

Martial law was declared in December 1981 and Mr. Walesa was interned for 11 months until his release in November of last year. The Solidarity union was banned.

The award went to Mr. Walesa, 40, with the committee's full expectation that it would irritate the Polish government. The labor leader has come under strong attack by state-controlled Polish news organizations and a connection was seen here between this and the possibility that he would win the peace prize.

"I don't expect any thanks or gratitude from the Polish authorities," Mr. Aarvik said, "but I can imagine that the attitude of the Polish people will be very different."

The committee's citation was itself unlikely to please the Polish authorities; it described them at the time of the Gdansk strikes as being "finally forced to capitulate and negotiate with Walesa."

Candidates for the peace prize are nominated by members of any elected parliament, previous Nobel laureates, and some scholars, as well as the five members of the Nobel selection committee, itself chosen by the Norwegian parliament. The prize carries a medal and a stipend of 1.5 million Swedish kronor ($190,000).

Jakob Sverdrup, the committee secretary, said Mr. Walesa had been nominated by many parliamentarians and was chosen from an overall group of 79 candidates.

In reaching its decision, the committee said it "has taken into account Walesa's contribution, made with considerable personal sacrifice, to ensure the workers' right to establish their own organizations. This contribution is of vital importance in the wider campaign to secure the universal freedom to organize — a human right as defined by the United Nations."

Lech Walesa's activities, it said, "have been characterized by a determination to solve his country's problems through negotiation and cooperation without resorting to violence. He has attempted to establish a dialogue between the organization he represents — Solidarity — and the authorities."

The committee said, moreover, that it believed "Walesa's attempt to find a peaceful solution to his country's problems will contribute to a relaxation of international tension."

The labor activist had been nominated for the award last year

(Continued on Page 2, Col. 1)

The Associated Press

GUARD CHANGES — Michael Foot, the outgoing leader of Britain's Labor Party, making his final report to the party's annual conference at Brighton. The party reaffirmed on Wednesday that it would dismantle the country's nuclear forces. Page 3.

Israeli Deputies Relent, Open Way for Coalition

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister-designate Yitzhak Shamir told the Knesset Wednesday that he had formed a coalition and asked parliamentary deputies to meet Monday for a vote of confidence.

Six deputies from the ruling Likud coalition dropped their demand for a national unity government, lifting the last obstacle to the formation of a new administration.

The maverick deputies announced that they were abandoning their condition that Mr. Shamir reopen talks with the opposition Labor Party on sharing power.

"I still hope for a miracle, but if one doesn't occur, I am still a member of the Likud and I will vote for Yitzhak Shamir," said Dan Tichon, one of the six.

Another member of the group, former Energy Minister Yitzhak Berman, said the six were convinced Mr. Shamir had given Labor enough time to decide whether to join a government of national unity.

"We said 10 days were a reasonable period and, in effect, 10 days were given," Mr. Berman said. "We demanded more time and another eight days were given. I cannot say Shamir did not fulfill his obligation."

Unity talks collapsed last week over differences on Jewish settlement, with the Likud rejecting Labor's call for limiting the outposts to sparsely populated Arab areas.

At least three of the six dissident deputies said they would vote for the government. With their support and that of the ultraorthodox Agudath Israel party, Mr. Shamir can look forward to a majority government in the 120-seat Knesset.

Israeli newspapers said Mr. Shamir promised the Agudath Israel, which holds four seats, that he would ensure the passage of controversial religious legislation during the Knesset's winter session.

The bills propose toughening criteria for conversion to Judaism, restricting archeological digs in areas where human remains might be found, banning the raising of pigs and ceasing construction of a swimming pool in an orthodox Jerusalem neighborhood.

Labor and several members of the Liberal wing of the Likud accused Mr. Shamir of giving in to religious blackmail.

The announcement that Mr. Shamir had a coalition caught Israelis in the midst of a dollar-buying frenzy provoked by fears of an economic clampdown once he took office.

The rush into dollars, Swiss francs, West German marks and Japanese yen forced some banks to close down foreign-currency counters.

Banking sources said Tuesday's foreign currency purchases totaled $20 million to $25 million, almost three times the usual daily amount. The three-day run on the Israeli shekel prompted emergency meetings between the heads of Israel's five largest banks and Finance Minister Yoram Aridor and Bank of Israel officials. No immediate steps were announced.

■ **Haddad in Israeli Hospital**

Saad Haddad, the Israeli-backed Lebanese militia chief in Lebanon, will be discharged soon from a Haifa hospital, Reuters reported from Tel Aviv. A spokesman refused to comment on reports that Major Haddad had cancer.

Anti-Missile Movement Grows in East Germany

By Henry Tanner
International Herald Tribune

BERLIN — There was a "blues Mass" Friday night at the Protestant Church of the Redeemer in Rummelplatz, a suburb of East Berlin, and the word had spread.

From six o'clock on, the big red-brick, neo-gothic church was jammed with teen-agers and young adults — two thousand at a time — who had come from all over the country, some with sleeping bags and rucksacks, to listen to the drums and guitars, the skits, sermons and prayers.

As one capacity crowd attended the hourlong peace program, another built up impatiently outside, then pushed in through the side doors as the earlier participants filed out through the main gate.

The tone of the program was bold and it illustrated the fact that East Germany, alone among the countries of the Soviet bloc, has a genuine peace movement that opposes rearmament in both East and West.

"God does not want missiles, neither Pershings nor SS-20s," said the bearded young man who led the prayer. God wants the mad "spiral of arming" stopped on both sides, he said, and on both sides there are politicians who want power, not peace.

In a skit, the actors tore up a gleaming rubber ball — a symbol of the world — as they wrestled over it, pulling it back and forth and arguing over its shape.

Bold red lettering on a white screen proclaimed the theme of evening: "Dare to Live."

Another young man received thunderous applause for a sermon in which he urged the young to dare to live according to their convictions. He called on them to make their own decisions "even in the face of harassment and provocations," especially on the question of whether to refuse to bear arms, a reference to conscientious objectors in East Germany, whose numbers are growing.

Under the law, unique in the Eastern bloc, East Germans have the right to declare, at the moment of being drafted, that they do not want to bear arms for reasons of conscience. They become *Bausoldaten* — "building soldiers." They wear uniforms but receive no combat training and serve mostly in construction units.

Despite the law, the state tries to discourage conscientious objectors. If e draftee fails to make his declaration to the recruiting officer at the right moment and in the right way, he is required to serve. Outright refusal is punished with prison.

A *Bausoldat* carries a stigma for life. He has little chance of going to university or of getting a decent job and no chance of advancement.

Yet every year there are about 400 objectors and the number is growing, according to official sources. Under the system, which has been in force since 1964, there are now about 8,000 former *Bausoldaten*, men between 20 and 40, many of whom are a driving force in the peace movement.

East German militants actually reject the term "peace movement." Its followers are not numerous enough or organized enough to constitute a movement, they say. They comprise small groups in separate cities and they often have different motives.

Some come from rock music groups. Others arise from the counterculture and a personal rebellion against uniformity and boredom in a bureaucratic and repressive system. Some are interested in ecology and civil rights. Many — a majority — are committed Christians.

They have organized peace workshops, poetry readings and art exhibits on violence and peace. They write letters to the authorities and slogans on walls, and they spread the message that "peace is unarmed." It is their answer to the government's slogan, "peace must be armed," which justifies Soviet nuclear arming.

They find themselves under constant surveillance by plainclothesmen. They are harassed and often arrested, and many of them have sought strength and protection in the church, which in East Germany is almost exclusively Protestant.

The church has said officially that it has no peace movement but is deeply involved in "peace work." It has opened its doors to the protesters but in exchange demands restraint, according to sources.

In the city of Halle, Lothar Rochan, a deacon and one of the most militant peace activists in the coun-

(Continued on Page 2, Col. 5)

Death Needle in Arm, Texas Killer Gets Stay

The Associated Press

HUNTSVILLE, Texas — James David Autry was lying strapped to a death chamber stretcher with a needle in his arm early Wednesday when he was told, four minutes after his execution was to have been carried out, that e U.S. Supreme Court justice had granted him a reprieve.

Mr. Autry, 29, who was condemned to death for killing a store clerk in 1980 over a six-pack of beer, showed no reaction at the ruling, officals said.

Outside the prison, however, a crowd of about 200 pro-death-penalty demonstrators shook their fists and chanted an obscenity when they heard of the stay.

Justice Byron White granted the stay at 11:32 P.M. Tuesday, based on the question of "proportionality," that is, whether the sentence was comparable to those given other people for similar crimes.

A saline solution was already running into Mr. Autry's arm in preparation for the lethal injection of chemicals when the reprieve was granted, prison officials said. He was told there would be a delay.

At 12:05 A.M., after state officials had tried to have the stay overturned but found themselves with a 30-minute deadline for preparing the case, the condemned man was told of the stay.

Fifty minutes before the scheduled time for the execution, 12:01 A.M., Justice White had received an application for a stay from the American Civil Libertics Union.

Justice White noted that the full court planned to hear arguments in a California case Nov. 7 on whether states must compare all death sentences to other punishments meted out for similar crimes.

The 9th U.S. Circuit Court of Appeals has ruled in the California case that such a "comparative proportionality review" is constitutionally required.

Justice White said he would stay Mr. Antry's execution pending the final disposition of the appeal or "until further order of the court or of the undersigned."

INSIDE

To Our Readers

Because of difficulties at our Paris printers, the Herald Tribune was not distributed Wednesday in some areas of Belgium, West Germany and Luxembourg. We regret any inconvenience to our readers.

Druze Calls For New Formula With Guarantees For Israel

By Marvine Howe
New York Times Service

ATHENS — The Lebanese Druze leader, Walid Jumblat, called Wednesday for "a new formula" that would guarantee Lebanon's independence as well as the security of Israel's northern borders.

The Lebanese opposition leader said that his recent move to set up a local administration in the Chuf mountains was not a "separatist" action and stressed that he was ready to cooperate with the central Lebanese government.

Mr. Jumblat said at a news conference here that he had come to thank Greece's Socialist government and people for their support and understanding of the Lebanese problem. The Greek government had seen the dangers of the Lebanese-Israeli agreement governing Israeli troop withdrawal from Lebanon, the Druze chief said.

"The parties concerned or to be involved in the National Dialogue should find another formula," Mr. Jumblat said, adding that the opposition does not consider the Israeli-Lebanese treaty viable.

In what appeared to be a new, conciliatory position, the Druze leader said that a new formula could preserve Lebanese independence and "guarantee the so-called peace of Galilee," an indirect reference to Israel's northern border with Lebanon.

At the same time, he said that Lebanon's "lungs are in the Arab world" and that neighboring Syria's economic and security interests must be taken into consideration in any new formula.

Mr. Jumblat repeated criticism of the U.S. role in Lebanon, accusing the American peacekeeping forces of becoming directly involved when they had shelled Druze positions at Souk el-Garb last month.

"We wonder if they are in Lebanon to guarantee national entente and guarantee the independence of Lebanon and sovereignty or just to support the regime of Mr. Amin Gemayel," he said.

[In Beirut, President Gemayel agreed Wednesday to a Syrian and Druze condition to accept observers from nonaligned nations to supervise a Lebanese cease-fire.

[Khalil Mekkawi, acting secretary-general of the Foreign Ministry, said at a news conference that efforts were under way to create a "neutral observation force" to oversee the truce that began Sept. 26 after three weeks of civil war.]

■ **Tanks Blast Shiite Positions**

Army tanks blasted Shiite Moslem positions in the southern Beirut suburbs Wednesday after sniping and rocket-grenade fire at army positions nearby, The Associated Press reported from Beirut.

Police in Tripoli, Lebanon's second largest city, 80 kilometers (50 miles) north of Beirut, said six persons were killed as pro-Syrian Alawite and anti-Syrian Sunni militias battled through the night Tuesday with mortars, rockets and machine guns.

The cease-fire violations prompted Saudi Arabia, which helped negotiate the latest truce, to warn that the civil war could be reignited.

■ **U.S. Sends Lebanon Arms**

The Pentagon moved Wednesday to sell Lebanon an additional 253 armored troop carriers and machine guns "to increase its capability to provide for its own security and defense," The Associated Press reported from Washington.

The proposed sale, outlined in a formal letter to Congress, is the latest in a series of steps by the Reagan administration under a year-old program to rebuild and retrain the Lebanese Army so it can assume responsibility for maintaining security. Previously, the United States has provided Lebanon with more than 200 armored troop carriers, and more than 100 M-48 tanks.

Walesa Wins Nobel Prize; Panel Cites Work for Union

(Continued from Page 1)

when it was given to Alva Myrdal of Sweden and Alfonso Garcia Robles, a Mexican diplomat, for their work as disarmament advocates.

Mr. Walesa was regarded as a strong favorite this time, and some Norwegian photographers appeared at Nobel headquarters here with pictures of the Polish leader they had prepared in advance for Mr. Aarvik to hold after he made the announcement.

Other nominees who were considered strong contenders for the prize were Elie Wiesel, the author and head of the U.S. Holocaust Commission, Philip C. Habib, the U.S. Middle East peace negotiator, Bishop Desmond Tutu and Helen Suzman, who are anti-apartheid activists from South Africa, and Simon Wiesenthal, the hunter of Nazi war criminals.

The remaining Nobel prizes are to be announced in Stockholm during the next 12 days, starting with the literature award Thursday.

Yugoslavia May Ban Tito Mementos

Reuters

BELGRADE — The wearing of teeshirts, badges and tiepins bearing the name or picture of the late President Tito would be banned under a proposed new law in Yugoslavia.

The newspaper Politika said Wednesday that the draft law, which is to be debated later this year, was aimed at preventing Tito's name from being exploited for commercial profit.

The new law will end a private, small industry in Yugoslavia in clothing and badges decorated with the portrait and name of Tito, the founder of modern Yugoslavia, who died three years ago.

Republicans in Senate Warn Reagan on Watt

The Associated Press

WASHINGTON — Senate Republican leaders have let the White House know that if Interior Secretary James G. Watt does not quit soon, they will be unable to block what could be an overwhelming vote calling for his dismissal, Republican congressional sources said Wednesday.

But President Ronald Reagan, meeting with a group of newspaper publishers, stuck by Mr. Watt, saying that he "has done a fine job for our country." The interior secretary has come under fire for characterizing appointees to an advisory panel as "a black, . . . a woman, two Jews and a cripple."

Kohl Begins Mideast Tour in Jordan

AMMAN, Jordan (Reuters) — Chancellor Helmut Kohl of West Germany arrived in Jordan on Wednesday at the start of a three-nation Mideast tour designed to promote Bonn's ties with Arab states and discuss Mideast peace prospects.

Mr. Kohl was welcomed in Amman by Prime Minister Mudar Badran as a Jordanian military band played a waltz.

United Press International

Prime Minister Rudd Lubbers, left, and Joseph Luns, the NATO secretary-general, at the opening session of the 29th annual meeting of the North Atlantic Assembly in The Hague.

Rowny Presents New U.S. Arms Plan; Tass Calls Latest Offer Just 'Words'

Compiled by Our Staff From Dispatches

GENEVA — Edward L. Rowny, the chief U.S. negotiator at the strategic arms reduction talks, arrived in Geneva on Wednesday and presented President Ronald Reagan's new proposals to Viktor L. Karpov, the chief Soviet negotiator.

Meanwhile, the Soviet Union, in a statement by the news agency Tass, reacted to Mr. Reagan's speech in Washington on Tuesday, saying the United States was trying to suggest that its arms proposals had changed for the better.

"However," Tass said, "when it came to the core of the problem it became clear that it was nothing but words, words which have nothing to do with actual deeds."

Mr. Rowny said he hoped to establish a "framework for agreement" with the Russians in the coming months.

In a related development, the U.S. State Department said in Washington that there seemed to be little new in a Soviet call Tuesday for a nuclear weapons freeze but promised to study it. The proposal was made in a statement by Oleg Troyanovsky, a Soviet delegate, speaking for Foreign Minister Andrei A. Gromyko at the United Nations General Assembly in New York.

U.S. allies welcomed Mr. Reagan's proposals. But in West Germany, thousands of people stopped work for five minutes at midday to protest the scheduled deployment of U.S. Pershing-2 and cruise missiles in December.

In The Hague, Prime Minister Rudd Lubbers of the Netherlands said Wednesday, at the formal opening of the North Atlantic Assembly, that North Atlantic Treaty Organization governments must be responsive to public opinion on defense and nuclear missiles

Mr. Rowny and Mr. Karpov met privately Wednesday before the formal opening Thursday of the fifth round of negotiations on intercontinental ballistic missiles.

The U.S. negotiator was to present Mr. Reagan's latest proposal — the so-called build-down concept, calling for an annual 5-percent destruction of older U.S. and Soviet strategic nuclear warheads — to Mr. Karpov at a private meeting Wednesday afternoon.

Under the build-down proposal, old weapons would be scrapped for each new one installed, possibly at a ratio of at least 2 to 1, to achieve a one-third cut in warhead arsenals.

"There is a great deal in it for the Soviet Union as well as for us," Mr. Rowny said at a press conference.

Mr. Rowny read a statement calling the Sept. 1 downing of a South Korean airliner by the Soviet Union "reprehensible" but pledging to "continue our efforts to bring about an agreement which would lower the threshold of nuclear terror in the world."

"We return to Geneva," he said, "despite the climate created by the recent tragic events, with instructions to move the negotiations forward and we are determined to do so."

Among U.S. allies, Mr. Reagan's latest offer was warmly welcomed.

Joseph Luns, the NATO secretary-general, said the alliance's strategy had to be politically acceptable in the broadest sense. But he said that people calling for a delay in missile deployment ignored Moscow's cynical buildup of arms over the past four years.

Foreign Minister Hans-Dietrich Genscher of West Germany called on Moscow to break the impasse in strategic arms talks.

"It is now up to the Soviet Union to take concrete steps," he said.

In London, a spokesman for Prime Minister Margaret Thatcher of Britain said Mr. Reagan's offer was "further evidence of the American desire to reach agreement."

As Mr. Reagan offered his proposal, Moscow repeated a call at the United Nations for a nuclear weapons freeze, an idea repeatedly rejected by Washington on the ground that it would sanction Soviet nuclear superiority.

The Youth in East Germany Spread a New Theme: Peace

(Continued from Page 1)

try, recently found out what happens when the church withdraws its protection.

He had led a local peace group for seven years and had organized some spectacular demonstrations. In the spring his superiors apparently decided his methods were too provocative and he was fired from his post as deacon.

He continued his peace activities but, without his church connection, he was arrested. He was sentenced to three years in jail for disturbing the peace, and other members of his group also were jailed.

Protests by his supporters in a suburb of Halle turned to violence.

Church authorities and others reportedly are seeking quietly to obtain his release. Informed sources say it is possible, even likely, that he will show up in West Germany under one of the periodic ransom arrangements — usually 50,000 to 60,000 Deutsche marks (about $19,000 to $22,000) — that West German organizations negotiate with the East German regime.

Many East German peace militants have moved to West Germany, some deported against their will and others at their own request to escape discrimination. In some cases, people have joined in peace activities knowing that getting on the police black list may be the only way to leave the country. The government is sometimes willing to give troublemakers the exit visa that others cannot get.

■ **Honecker Speaks to Church**

The Communist Party daily Neues Deutschland quoted Erich Honecker, East Germany's head of state, Wednesday as telling a West German religious monthly that Christians benefited from the state's achievements and supported its policies, Reuters reported from Berlin.

Mr. Honecker told the Lutherische Monatshefte in an interview: "This goes especially for efforts to avoid the danger of a nuclear world war and to secure peace."

At a synod last month, the Protestant Church urged the state not to accept new missiles that the Soviet Union has threatened to deploy if the North Atlantic Treaty Organization stations new U.S. missiles in Western Europe.

U.S. Rejects New Sanctions On Trade With Soviet Union

(Continued from Page 1)

chicken coop." The matter was supposed to have been taken up at a cabinet meeting Sept. 16, but neither Mr. Clark nor Mr. Shultz was present.

The three met together later, and in the face of the strong line taken by both cabinet officers, Mr. Clark retreated rather than carry the issue to the president, officials said.

The earlier Brady committee recommendation was ignored.

There have been recurrent rumors, subsequently denied, that both Mr. Brady and William Schneider Jr., undersecretary of state for security assistance, science and technology, who approved for the State Department in the Brady committee, were asked to resign.

So far, there has been only one resignation reflecting differences of opinion on East-West trade policy. William A. Root, who was director of the State Department's Office of East-West Trade, said last week that he was resigning to protest the growing strength of the Defense Department in the trade arguments.

The denial of an export license to a Hughes Tool Co. subsidiary to sell $40-million worth of submersible drilling pumps was also part of the Brady recommendations. It was unclear where the company's application now stood. "We've heard nothing one way or the other, and as far as we're concerned, it's still pending," said Donald L. King, a spokesman in Houston.

At the same time, trade officials said that the administration appeared to be ready to announce a major tightening of controls on exports of big-ticket items in oil and gas, transportation and communications to Libya in retaliation for the Libyan intervention in Chad.

WORLD BRIEFS

Helms Agrees to King Holiday Vote

WASHINGTON (WP) — Senator Jesse Helms, Republican of North Carolina, who has been blocking a vote on legislation to create a national holiday in memory of the Rev. Martin Luther King Jr., agreed Tuesday night to let the Senate vote on the issue Oct. 19, two days after Congress returns from its Columbus Day recess.

Mr. Helms, who stunned and dismayed many of his colleagues Monday with an accusation that the slain civil rights leader had espoused Marxist views, faced a Senate vote Wednesday that was expected to end his filibuster against the bill.

While the agreement with Mr. Helms would call off the cloture vote, the Senate majority leader, Howard H. Baker Jr. of Tennessee, said the Senate would go ahead with the debate-limiting vote unless he could get unanimous consent for the Oct. 19 vote.

Nicaraguan Rebels Bomb Oil Depot

MANAGUA (UPI) — Anti-Sandinist rebels have staged a sabotage attack from speedboats on Nicaragua's principal Caribbean petroleum depot, bombing two tanks that stored 360,000 gallons of fuel, officials said.

The government said Tuesday that guerrillas of the Democratic Revolutionary Alliance were responsible for Monday's attack at the port of Benjamin Zeladon. The alliance is based in Costa Rica and is headed by the former Sandinist deputy defense minister, Edén Pastora Gómez.

The tanks were used to "supply all the Atlantic Coast region" and were particularly important to the port of Puerto Cabezas, the government spokesman said. In September, rebels staged an aerial bombing attack on petroleum reserves on the Pacific coast at the ports of Corinto and Sandino, but failed to hit their targets.

Rebels Form Junta in Part of Salvador

SAN SALVADOR (UPI) — A leftist guerrilla group has announced the formation of the first provisional government in a rebel-held area of El Salvador and seized a key town in the eastern coffee-growing province of Usulutan.

The Popular Liberation Forces announced Tuesday on its radio station that it had formed a "subregional junta of popular power" in northern Chalatenango province. It was the first time any of El Salvador's five rebel groups, who operate as the Farabundo Marti National Liberation Front, has announced the establishment of a provisional government.

The guerrillas captured Jucuapa, an important eastern city in El Salvador's richest coffee-growing district, taking 21 prisoners, killing two members of the Salvadoran National Guard and seizing 26 weapons, witnesses said.

Egypt Fires Own Version of SAM-7

TAL HAMZA, Egypt (Reuters) — Egypt fired its own version of the shoulder-held Soviet SAM-7 anti-aircraft missile for the first time Wednesday during a military display.

The missile pursued and destroyed a target drone at this Western Desert base. Egypt began manufacturing its version of the SAM-7 after the Soviet Union stopped supplying it with weaponry and spares because of policy differences.

Defense Minister Abdel-Halim Abu Ghazala said after the live exercises that Egypt's version of the missile would be called "Hawkeye." He said Egypt would start mass production early next year at the rate of 200 missiles annually.

Paris Court Clears 3 Irish Nationalists

PARIS (Reuters) — Three Irish nationals, who the Dublin police say are members of the Irish National Liberation Army, were cleared by a court here Wednesday of charges of illegally possessing arms and explosives and of criminal association.

The three, Michael Plunkett, Mary Reid and Stephen King, were cleared of all charges resulting from a police raid on their apartment in August last year. The court said they had been cleared because of judicial irregularities committed during the police raid on their apartment in suburban Vincennes and their subsequent questioning. The court said one of the irregularities was that the two senior police officers in the raid did not have the necessary power to carry it out.

U.K. Awaits Junta Change, Paper Says

LONDON (AP) — The British government is preparing to seek an agreement with Argentina on the Falkland Islands if a civilian government takes over from the military junta in Buenos Aires, the Daily Express reported Wednesday. A Foreign Office spokesman declined comment on the report.

The Express said British officials believed a civilian government in Argentina would be more willing to agree to a peaceful settlement than the junta. Argentina was defeated in last year's 74-day war with Britain over the South Atlantic islands, known in Argentina as the Malvinas.

The Express said, without attribution, that officials here hope that a civilian regime in Buenos Aires will end the state of war observed by the junta, which has still not formally declared an end to hostilities.

For the Record

The archbishop of Marseilles, Roger Etchegaray, told Pope John Paul II and more than 200 bishops attending a synod at the Vatican that the Roman Catholic Church should make reconciliation with the Jews a high priority in an effort to avoid anti-Semitism. (UPI)

An alleged Irish Republican Army terrorist, William Joseph Quinn, ordered set free from a San Francisco prison, was stopped from leaving Wednesday when the judge who had ordered his release directed that he be held until Oct. 11. (UPI)

A driverless, runaway freight train traveled 70 miles (113 kilometers) in three hours in northern Bangladesh Tuesday before being boarded and stopped, railroad officials in Dhaka said Wednesday. (Reuters)

Taiwan rather than China should be negotiating with Britain over the return of Hong Kong because it possesses the treaty under which London rules most of the colony, a Taiwanese member of Parliament said Wednesday in Taipei. (Reuters)

The French national airline pilots' union announced Wednesday in Paris the suspension of a 60-day boycott on flights to Moscow that was called last month after the Soviet Union shot down a South Korean airliner. (Reuters)

A protest at Chemie Linz AG, until recently a producer of dioxin, was broken up by police in Linz, Austria, Wednesday after members of the Greenpeace environmental group tried to block the plant's gates with mock drums of the deadly chemical waste. (AP)

An Israeli ministerial committee in Tel Aviv approved Wednesday the building of six Jewish military settlements in the occupied West Bank. (UPI)

The Soviet President, Yuri V. Andropov, will make his first foreign trip since coming to power when he goes to Bulgaria later this month, sources disclosed in Moscow Wednesday. (WP)

New Reagan Arms Proposal Gives Congress Bigger Voice

(Continued from Page 1)

be conducted in a separate working group. Soviet and U.S. negotiators would work on a "double" build-down approach — in numbers of missile warheads, bombers and cruise missiles, and in "destructive capacity," or missile and bomber throw-weight.

In this context, the administration will suggest an annual cut of 5 percent in missile warheads or a reduction based on a build-down formula, whichever is greater.

Officials said the following proposals would be put on the table with some flexibility:

For every new fixed land-based missile warhead such as those on the MX, two old warheads would be destroyed; submarine-launched missile warheads such as the new D-5 or Trident-2 missile would be converted on a 3-to-2 basis; and mobile land-based missiles such as the proposed Midgetman on a one-for-one basis. This would penalize modernization of potential first-strike weapons and reward modernization in the direction of submarine-launched and mobile missiles.

At some point, or so the framers of the proposal hope, the efforts of the working group would be merged into the formal talks.

A number of officials described the situation in the administration as one of considerable disarray, with no senior participant showing any particular enthusiasm for the new approach.

According to these officials the administration on Friday was still without an agreed position when Ronald F. Lehman, the chief arms control expert on the National Security Council staff, met with a group including Brent Scowcroft, the chairman of Mr. Reagan's Commission on Strategic Forces, Mr. Woolsey and Senator William S. Cohen, Republican of Maine, who was one of the originators of the build-down idea.

By all accounts, Mr. Scowcroft and his commission members and Senator Cohen and several of his congressional colleagues essentially wrote the position paper with Mr. Lehman, although they strongly preferred one overall new proposal rather than breaking it down into one piece for the formal talks and one piece for the working group. No senior member of the administration was present.

When Mr. Reagan convened this group Monday, he reportedly just read the instructions agreed on and then excused himself.

Talks Begin on Possible Arms Violations

U.S. Raising Questions About Soviet Radar, Missile Tests and Encryption

By Charles Mohr
New York Times Service

WASHINGTON — Soviet and U.S. officials in Geneva have started discussing U.S. suggestions that the Soviet Union may have violated the terms of two arms control treaties.

The United States says it believes the Soviet Union may have violated provisions of the 1972 treaty limiting anti-ballistic missile defenses by building a huge new radar installation in Siberia and the 1979 treaty limiting strategic nuclear arms by testing more than one new intercontinental missile.

The 1979 treaty has not been ratified but both sides have agreed to abide by its terms.

U.S. officials are also concerned about encryption of electronic data broadcast from Soviet missiles during test flights.

For eight days a dispute in the Reagan administration delayed the sending of formal instructions to the chief United States delegate to a Soviet-U.S. commision created to discuss possible violations, according to government officials.

The Standing Consultative Commission, a body created in the early 1970s to discuss such complaints, began a meeting in Geneva on Sept. 22.

But the chief U.S. delegate, General Richard H. Ellis, who is retired from the air force, received no formal instructions from Washington until Friday, Sept. 30, government officials said. He was therefore limited to listening to the Soviet delegates and to exchanging routine information.

A group of Washington officials centered on the Defense Department held up the transmission of instructions to General Ellis, officials said.

That group wanted the United States to make outright charges of cheating against the Russians, possibly in a diplomatic note from Secretary of State George P. Shultz.

Another group, centered in the State Department, preferred to take a less confrontational approach and to do it in the commission, officials said. By agreement, the proceedings of the Standing Consultative Commission are confidential.

Officials would not say exactly how the dispute was resolved, but one indicated that General Ellis might have not been permitted to raise all three questions of possible treaty violations in this week's sessions. This would leave the United States the option of making a public complaint on at least one point.

President Ronald Reagan alluded to the issue of possible Soviet violations in his arms control speech to the United Nations General Assembly on Sept. 26.

He complained of the "high level" of encoding of Soviet missile test data and said "a newly discovered radar facility and a new ICBM raise serious concerns about Soviet compliance with agreements already negotiated."

Some conservatives in Congress and outside government have been pressing Mr. Reagan to make public what they believe is incontrovertible evidence of violations.

Soviet officials have denied that the new radar in south central Siberia near the town of Abalakova or the test flights of a modified SS-13 intercontinental ballistic missile that began in February are violations of the treaties. They have also denied that the level of data encryption is a violation.

The 1972 treaty limiting the size and quality of anti-ballistic missile defenses, or ABMs, limits the United States and the Soviet Union to one operational ABM field each. The U.S. field has been deactivated, but the Soviet Union has an operational ABM force at Pushkino, a suburb northeast of Moscow, that is meant to offer some protection for both the city and nearby missile fields.

The treaty also says that to "enhance assurance of the effectiveness of limitations on ABM systems" the two sides will not adapt other radars for ABM use and that each nation's radars for giving early warning of ballistic missile attack must be "along the periphery of its national territory and oriented outward."

About Aug. 10, U.S. intelligence officials studying reconnaissance satellite data discovered a very large radar, resembling a building, under construction near Abalakova, northeast of the Siberian city of Novosibirsk.

The orientation of the radar station, according to U.S. officials, appears to be a fan-shaped area pointing to the northeast, across thousands of miles of Siberia and ultimately the Bering Sea. "We don't call that 'outward,'" an official said.

The other possible treaty violation has been aired publicly but hardly resolved by U.S. officials. The 1979 arms treaty said the two parties could flight test and deploy only one new type of light ICBM.

In October 1982 the Soviet Union began testing a missile similar to the 10-warhead United States MX missile and told Washington this was the new missile permitted under the treaty.

However, in February U.S. sensors detected flight tests of a single-warhead ICBM. Moscow says this is a modification of a solid-fuel missile called the SS-13, of which about 60 were deployed in the 1970s. The Russians reportedly say the modifications are permissible under the treaty. U.S. officials say that it is a new missile.

The Associated Press

SPECIAL DELIVERY — New subway cars built by the Nissho Iwai Co. of Japan for New York City's Metropolitan Transit Authority being unloaded at a Brooklyn terminal.

U.S. Senate Approves $91 Billion in Domestic Spending

Washington Post Service

WASHINGTON — Brushing aside a Democratic proposal to add substantially to education spending next year, the Republican-controlled U.S. Senate approved, 70-23, a $91-billion appropriations bill for major domestic programs.

The measure, approved Tuesday, was tailored to win President Ronald Reagan's approval.

A proposal to add $559 million to the bill's allocation of $13.4 billion for education failed, 50-45, despite arguments from Senator Bill Bradley of New Jersey and other Democrats that the proposal conformed to earlier Senate votes calling for increased spending for education.

Later, the Senate voted 50-44 to reject a proposal by Senator Dan Quayle, an Indiana Republican, to add $364 million for job-training. Senate leaders had warned that Mr. Quayle's proposal, which was backed by most Democrats, could lead to a presidential veto of the overall measure.

Like the version passed last month by the Democrat-controlled House of Representatives, the proposed Senate bill falls short of budget targets for major social welfare programs that were approved by Congress earlier in the year.

Americans Can Expect Longer Life

Los Angeles Times Service

WASHINGTON — Life expectancy for Americans reached a record high last year and infant mortality declined to a new low, according to a report by the Department of Health and Human Services.

The study, conducted by the Public Health Service's National Center for Health Statistics, was released Tuesday.

The report said that life expectancy for the total population climbed to 74.5 years in 1982 — up from 74.1 years in 1981 and 73.7 years in 1980 — and that women were still living longer than men. Life expectancies last year were as follows: for white women, 78.7 years; black women, 73.8 years; white men, 71.4 years; and black men, 64.8 years.

The report also said the infant mortality rate continued to decline in 1982, with 11.2 deaths per 1,000 live births.

Births totaled 3,704,000 in 1982, 2 percent more than in 1981, the study said.

Marriages increased for the seventh consecutive year, establishing a national record, the department said. In 1982, 2,495,000 couples married, 2 percent more than in 1981 and 16 percent more than in 1975.

U.K. Laborites Reaffirm Anti-Nuclear Position

By Peter Osnos
Washington Post Service

BRIGHTON, England — The Labor Party overwhelmingly reaffirmed Wednesday its commitment to eliminating the country's nuclear forces and ousting all U.S. bases should it win the next national election.

The margin at the party's annual conference was so large for "unconditionally" scrapping Britain's deterrent "within the lifetime of the next Labor government" that no vote count was sought by those opposed to the radical military policy. With no election scheduled for four years or so, the immediate effect of Wednesday's action is to bind Labor's position in parliamentary debates on nuclear questions.

Labor's new leader, Neil Kinnock, voted for the resolution, but only after losing an effort to have it watered down that began even before he was elected Sunday. Mr. Kinnock, who has often said that he favors unilateral nuclear disarmament for Britain, tried to fudge the question of timing and remove the word "unconditionally."

But Ronald Todd of the giant Transport Workers Union, which sponsored the resolution, said amid strong applause: "It is not a policy we should apologize or be reticent about." He said Prime Minister Margaret Thatcher was turning Britain into "an American aircraft carrier" and called Mrs. Thatcher and President Ronald Reagan "the Bonnie and Clyde of the nuclear world."

The vote, which appeared to be even greater than last year's two-thirds majority, has some policy significance for the Reagan administration.

It means that the official opposition party in the only country with which the United States maintains a strategic nuclear relationship is committed to breaking that tie. Moreover, the vote reinforces Labor's outspoken opposition to the deployment of U.S. cruise missiles, scheduled to begin now in a matter of weeks.

Even staunch Labor critics of unilateralism such as former Prime Minister James Callaghan and former Foreign Secretary Denis Healey are against cruise deployment and would cancel Britain's plans to purchase the U.S. Trident D-5 submarine-launched missiles to replace the country's aging Polaris fleet.

The mass of the party delegates, however, also favors the rest of the sweeping program, which includes dismantling Polaris before it is obsolete and removing U.S. military installations. Mr. Healey and Mr. Callaghan, who appear to be increasingly isolated from Labor's mainstream, favor making the future of Polaris dependent on arms negotiations also involving the United States and the Soviet Union and are far less categorical in their opposition to U.S. bases.

As a realist, Mr. Kinnock's advisers say, he recognizes that Labor's extreme stand on military policy — and the fact that it was attacked by some of its own senior figures — hurt it with the electorate.

Mr. Callaghan, arguing futilely against Wednesday's resolution, declared: "You made a fundamental mistake. You believed that by going on marches and carrying resolutions, you could persuade the British people. You lost millions of votes."

Court Upholds CIA Censorship Of Critical Article

New York Times Service

WASHINGTON — A federal appeals court has upheld the Central Intelligence Agency's censorship of portions of a critical article by a former agent concerning alleged CIA "disinformation" activities in Iran, Latin America and Indonesia.

The three-judge panel ruled unanimously Tuesday that "the CIA classification and censorship scheme protects critical national interests." It said the CIA action was constitutional as applied to the article by Ralph W. McGehee, the former agent. A censored version was published in The Nation, a liberal weekly of political commentary, in April 1981.

The decision by the Court of Appeals elaborated on a ruling by the Supreme Court in 1980, in a case involving another former CIA agent, Frank W. Snepp 3d. The Supreme Court ruled that the CIA could require its agents to agree to lifetime prepublication review of their writings and could sue a former agent for publishing without submitting to such review.

In another development Tuesday, the Senate Intelligence Committee unanimously approved a bill to exempt certain CIA files from search and review under the Freedom of Information Act.

Schools in U.S. Seeking Funds To Eliminate Asbestos Hazard

By William E. Schmidt
New York Times Service

NEW YORK — There is growing alarm among education officials across the United States over where they will get the money to remove potentially dangerous asbestos insulation from local school buildings.

According to a report not yet released by the Department of Education but made available to The New York Times, it will cost $1.4 billion to remove asbestos from 14,000 public and private school buildings around the country.

Dr. Robert Fortenberry, the superintendent of schools in Jackson, Mississippi, said it would cost $7 million to take out and replace the asbestos in the Jackson schools. "We'll get it out as we have the money," he said. "But right now, we can't get to it unless the state or someone else helps us come up with some extra money."

Federal officials and medical authorities have warned that asbestos, widely used as fireproof insulation in school buildings built or renovated from 1940 to 1978, poses a serious threat to children and school employees.

They have said that it causes a variety of diseases, including lung cancer and a cancer of the lining of the lungs, mesothelioma, that is usually fatal. It typically takes 15 to 40 years after exposure before the diseases begin to appear.

The danger in schools and other public buildings is that asbestos insulating pipes or ceilings will begin to crumble, releasing fibers into the air. The asbestos fibers, once inside the lungs, usually stay there.

The Department of Education report, prepared in consultation with the Environmental Protection Agency on behalf of a Senate committee, concedes that federal officials have no hard data to confirm their cost figures. But it estimates that removal will cost an average of $100,000 per school building.

An internal EPA report that came to light last week showed that more than half the nation's 85,000 public and 20,000 private schools had failed to comply fully with federal rules requiring them to identify and report on any asbestos in school buildings by June 28.

Current EPA regulations do not require schools to remove the loose or flaking asbestos. Instead, the agency says, the districts must notify employees and parent-teacher organizations of the presence of asbestos in school buildings.

It is widely believed that the cost of asbestos abatement programs is one of the main reasons that so many districts have not complied. Many smaller districts fear that they do not have the resources to follow through with remedial actions and are therefore hesitant to arouse fears.

Most school districts are already facing budget problems as a result of earlier cutbacks in state and federal money. In Jackson, for example, voters rejected bond issues twice in the past eight months for repair and construction programs.

Though some states have offered money to help local districts with removal programs, the largest share of the cost of removing the asbestos has been borne by taxpayers in the individual school districts. There has been no federal assistance, although Congress is now studying a plan to set up a $50-million fund to provide local districts interest-free loans for asbestos removal.

"I can appreciate that schools are under a lot of fiscal pressure," said Representative George Miller, a California Democrat, who has helped push legislation to make schools report asbestos hazards. "But this is not enough of a justification not to do the studies, or to refuse to disclose the dangers."

He blamed the Reagan administration for the low reported rate of compliance, because it has planned no measures to make districts say if their schools have asbestos.

"This administration has sent a clear signal to the schools that asbestos is just not that important a problem," Mr. Miller said.

Dwight Brown, asbestos coordinator for a regional office of the EPA in Atlanta, said the failure of many school districts to deal with the threat is likely to make them increasingly vulnerable to lawsuits from former students or school employees seeking to blame subsequent cancers or other illnesses on exposure to asbestos in school buildings.

Mr. Brown said school officials who ignored the asbestos hazard "are guilty of either negligence or malfeasance, or both." He said that a school district that knows of the presence of asbestos but does nothing to get rid of it is not only continuing to expose children to a known health hazard, but also has created "a lawsuit waiting to happen."

More than 10,000 suits have been filed in the past decade against asbestos manufacturers by workers who blamed their illnesses on exposure in the workplace. Many of the suits involved those who worked with asbestos in U.S. Navy shipyards in World War II.

United Press International

TOKYO PROTEST — About 7,500 Japanese farmers, including these on a lunch break, demonstrated Wednesday to pressure the government to stand firm against the liberalization of agricultural quotas. Trade talks will be held in Washington next week.

Revisions in U.S. Gun Control Laws Sought by Reagan Administration

Washington Post Service

WASHINGTON — The Reagan administration has asked the Senate Judiciary Committee to approve a bill that would make major changes in the U.S. gun control laws, including allowing interstate mail-order sales of weapons for the first time in 15 years.

Critics of the measure, called the Firearm Owners Protection Act, contend that it would virtually destroy the 1968 Gun Control Act, enacted after the assassinations of President John F. Kennedy, the Rev. Martin Luther King Jr. and Senator Robert F. Kennedy.

Nelson T. Shields, chairman of Handgun Control Inc., asserted Tuesday that the legislation would "turn back the clock" and "would allow for easy access to guns by criminals and would-be assassins."

The legislation provides that the buyer and the seller of a gun should meet to negotiate the sale before the weapon is mailed, but Mr. Shields said that provision would be "unenforceable."

Other provisions of the legislation would:

- Lift the ban on out-of-state weapons purchases, which are now limited to federally licensed dealers, manufacturers, importers and collectors, and permit private, unrecorded sales of weapons between individuals in different states if no local law is violated.
- Allow the authorities to seize only the weapon used in a crime, even if a suspect owned others.
- Narrow the definition of gun dealer. Critics of the legislation point out that pawnbrokers would not be considered gun dealers under the new definition because they sell other products.
- End routine inspections of gun dealers' sales records by the federal Bureau of Alcohol, Tobacco and Firearms, and require a search warrant for such inspections.

Robert E. Powis, the Treasury Department's deputy assistant secretary for enforcement, said Tuesday that the Reagan administration supports the bill but would like to see three amendments.

The administration he said, wants out-of-state purchases to be from licensed dealers; licensed dealers to be allowed to sell at gun shows, and a mandatory minimum penalty of five years in prison for use of a firearm in a federal crime.

Weinberger's Courting Of Chinese Wasn't Easy

By Fred Hiatt
Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger, one of the most combative anti-Communists in one of the world's most anti-Communist governments, last week brought his gospel to the world's largest Communist country. If he saw any irony in the trip, he never let on.

For five days, Mr. Weinberger listened politely to lectures about the correct behavior of a people's

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liberation army and dutifully drove in proletarian limousines with red flags fluttering from the hood.

All the while he tried to educate the Chinese to fear what he sees as the world's greatest threat, the Soviet Union. He made clear that he feels that any country that can be signed up against the Russians — no matter how alien its political system or exasperating its diplomacy — should be courted, enlisted and given weapons to do the job.

But it was not an easy courtship.

To some extent, the confusion resulted simply from the meeting of two cultures. During his around-the-world trip, after all, Mr. Weinberger was equally hard put to respond when his Japanese counterpart toasted him with a poem about the beauty of the moon shielded by clouds, or when tribal elders in Pakistan presented him with two live sheep, garishly dyed and covered in Afghan cloth.

The Chinese kept the secretary guessing. They left chunks of his schedule blank, leaving him to wonder whether he would be allowed to see Prime Minister Zhao Ziyang or the party chairman, Deng Xiaoping.

Defense Minister Zhang Aiping greeted him with lectures on the virtues of an independent course and left little doubt about who was seeking favors from whom.

"When a guest comes from afar, we expect him to bring good news," Mr. Zhang said as their first meeting began.

Mr. Weinberger is not a man quick to take a hint when defense spending or the Soviet threat are at issue. When Mr. Zhang put Mr. Weinberger in the supplicant role by asking him to speak first in the Great Hall of the People, the defense secretary cheerfully launched into an explanation of U.S. strategic concerns.

Mr. Weinberger discussed Soviet strengths, past U.S. weakness and how the Reagan administration is coping with those problems. "We realize the U.S.S.R. may make a mistake and, if deterrence fails, we must have the strength to restore the peace," an official who attended the meeting paraphrased the secretrary as saying.

He went on to NATO ("a defensive alliance"), the Warsaw Pact (an alliance "by compulsion"), the Middle East, the Russians in Afghanistan ("a possible threat to the oil fields"), in Southeast Asia, in the Pacific ("a threat to both China and Japan") and in Latin America.

After one and a half hours, Mr. Zhang thanked Mr. Weinberger for his "concise briefing."

"We feel we've gotten to know you better," Mr. Zhang said, according to an official. "Now we will go and study your points."

While the Chinese studied, they gave Mr. Weinberger some indication of their military capability, convincing his entourage that China needs help modernizing its armed forces. A firepower demonstration showed off rifle skills hardly more sophisticated than those an Eagle Scout might learn, and even then not all the targets went down. In arms talks, the Chinese seemed so out of touch they often did not know what weapons to request.

Eventually, the secretary met with both Mr. Zhao and Mr. Deng. The Chinese agreed to a visit by President Ronald Reagan, and allowed Mr. Weinberger to announce that agreement in Beijing. They approved military exchanges between lower-level officers and said they would consider further the possibility of buying U.S. arms.

Despite those modest successes, the Chinese resolutely ignored Mr. Weinberger's repeated openings to take up the cry against the Soviet Union. The day he left Shanghai, China announced a new round of talks aimed at improving relations with the Soviet Union.

But Mr. Weinberger was not discouraged. At his last banquet in Xian, when the official Beijing talks had ended and his hosts toasted him with nothing but bland tributes to friendship between nations, the defense secretary could not resist one more educational effort.

"The first emperor of China lived here," he said, "and built the Great Wall of China to defend against the greatest threat of his time.

"Coincidentally, at that time, the threat also came from the north," Mr. Weinberger said. Today, he said, the threat was from the same direction, adding that he hoped that, with U.S. assistance, the Chinese would build "a great wall of steel" to meet it.

Revival of Central America Council Seen as Stressing U.S. Military Effort

By Juan M. Vasquez
Los Angeles Times Service

MEXICO CITY — The current revival of the Central American Defense Council underlines the growing U.S. support for a military approach to regional problems, according to diplomats in the area.

The council is a regional military alliance that ended in 1969 when two of its members, El Salvador and Honduras, engaged in a short-lived war against each other.

The resurrection of the council now as an instrument of military pressure on Nicaragua had been rumored for some time, but the hesitation of Guatemala, under former President Efrain Rios Montt, made the plan impractical.

"Rios Montt was always the wild card," a U.S. diplomat said. "He would not go along, would not play games. Now he's gone."

General Oscar Mejia Victores replaced General Rios Montt in a military coup last August. The new Guatemalan chief of state was the host Saturday at a six-hour meeting of regional military leaders at which the defense council was revived.

Those attending included General Carlos Vides Casanova, defense minister of El Salvador; General Gustavo Alvarez Martinez, defense minister of Honduras and an outspoken military foe of Nicaragua; General Manuel A. Noriega, commander of the National Guard of Panama; and General Paul F. Gorman, head of the U.S. Southern Command, which has its headquarters in Panama.

Both General Noriega and General Gorman were identified as observers at the meeting, rather than as participants.

A statement issued after the meeting denounced "Marxist-Leninist" aggression in the region and proclaimed the alliance's intention to "employ force not only to defend democracy but to promote development."

A U.S. diplomat in the region said with a touch of regret Tuesday that the revival of the defense council and the explicit U.S. sanction represented by General Gorman's presence pointed to the growing attention being given to military efforts in Central America.

"I think the only question is whether diplomatic efforts have really been exhausted," he said, "or whether there never was any intention to arrive at a diplomatic solution. Whatever, all the signs point to a military road."

Another official recalled a recent speech by Fred C. Iklé, undersecretary of defense for policy, in which he emphasized that U.S. policy in the region is to promote victory for "the forces of democracy."

The official added: "The idea that the diplomatic route has come to a halt, that is not the public position of the United States. But I can understand where someone might say that this is just lip service to cover a harder line."

Meanwhile, a leader of the Salvadoran insurgent movement said the revival of the council represents another step in the regionalization of the Central American conflict.

"The United States," said José Mario López, a representative of the Revolutionary Party of Central American Workers, "is trying to defeat us militarily and topple the government of Nicaragua by using the armies of Central America, but that is not possible, definitely not."

China to Demand Removal of Missiles In Normalization Talks With Soviet

Reuters

BEIJING — China's vice foreign minister, Qian Qichen, will open the third round of Chinese-Soviet normalization talks Thursday with a new demand: that more than 100 Soviet SS-20 missiles aimed at East Asia be removed.

At two previous negotiating sessions in the past year with Leonid Ilyichov, the Soviet Union's deputy foreign minister, Mr. Qian has stressed that improved relations between the estranged Communist countries hinges on the removal of Soviet threats to China's security.

Beijing has defined these "obstacles to progress" in the talks as Moscow's support of Vietnam's occupation of Cambodia, the 1979 intervention in Afghanistan and Soviet troop concentrations along China's border.

But recently there have been strong signs that China is also worried by what it sees as a build-up of SS-20 medium-range missiles in the Soviet Far East.

Mr. Qian told Japanese correspondents this week that he would be calling for removal of the missiles, which Beijing believes are aimed at China and Japan. The Chinese and Japanese foreign ministers, Wu Xueqian and Shintaro Abe, agreed to seek removal of the missiles as a joint goal at a meeting in New York last month.

Xinhua news agency Wednesday quoted a senior Japanese defense official as saying that Moscow was now building three more SS-20 launch bases in the Far East. It said Shigeo Arai, defense agency counselor, estimated that the number of missiles deployed in the region would soon increase to 135 from the present 108.

Mr. Ilyichov, who arrived in Beijing Tuesday, declined to discuss prospects for the new round of talks, but Soviet sources said they did not expect substantial progress at the session.

Mr. Qian was quoted by Xinhua as saying that, while he hoped the discussions would bring some progress in removing obstacles to better ties, "this cannot be decided by our side alone."

The two men held the first round of talks on improving relations in Beijing in October 1982. They are believed to have done not much more than state their positions, but they did agree to meet again in Moscow in March for a second round.

The death of President Leonid I. Brezhnev last November and his replacement by Yuri V. Andropov brought initial hopes of a break-through, but the March talks produced no tangible progress either.

Nevertheless, China, which has been steering an independent foreign policy course between the United States and the Soviet Union, has been careful not to close the door on further discussions.

Last month Mr. Qian held several days of talks on world issues with the Kremlin's top China expert, Mikhail S. Kapitsa. Mr. Kapitsa said later that they had "opened a new channel of contacts, this time on international problems," and described his visit as successful.

But Mr. Qian said: "You must never forget that there are many obstacles between us."

The visits by Mr. Kapitsa and Mr. Ilyichov were part of high-level diplomatic exercises in which the U.S. secretary of defense, Caspar W. Weinberger, visited China and China's foreign minister, Mr. Wu, was to have met with the Soviet Union's foreign minister, Andrei A. Gromyko, at the United Nations last month.

The Wu-Gromyko meeting was called off when Mr. Gromyko decided not to go to New York after U.S. protests at the shooting down of a South Korean airliner.

Diplomats said the Weinberger visit, the third by a Reagan cabinet member this year, confirmed the greatly improved atmosphere discernible recently in Chinese-U.S. relations.

Apart from reaching a draft agreement on providing China with defensive weapons and other high-technology equipment, Mr. Weinberger was also able to announce an exchange of visits by Premier Zhao Ziyang and President Ronald Reagan early next year.

The diplomats added that China, while strongly critical of the shooting down of the Korean Air Lines jet, did not join Washington and its allies in condemning Moscow in the UN Security Council.

At a time of heightened world tension, they said, Beijing would be anxious to avoid too close an involvement with either superpower and would seek to reschedule the Wu-Gromyko talks as soon as possible.

City-Owned Nativity Scene Is Legal, Reagan Official Tells High Court

New York Times Service

WASHINGTON — One of the Reagan administration's top legal officials has argued before the Supreme Court that the U.S. Constitution permits a local government to include a Nativity scene as part of an official Christmas display. It was the latest of several recent instances in which the Reagan administration had asked the high court to relax the legal boundaries between church and state.

Solicitor General Rex E. Lee contended Tuesday that a federal appeals court was wrong when it ruled a year ago that the display of a city-owned crèche by Pawtucket, Rhode Island, violated the constitutionally required separation of church and state. Mr. Lee said the life-size crèche, part of a larger display that included a tree, a Santa Claus and other more secular Christmas symbols, was a "constitutionally permissible governmental acknowledgment of an important part of the American heritage."

The Nativity scene was challenged in federal court by a group of local residents and the American Civil Liberties Union. After the Supreme Court agreed to hear Pawtucket's appeal, the Reagan administration entered the case as a friend of the court in Pawtucket's behalf.

Arms Flow to Nicaragua Continues

By Hedrick Smith
New York Times Service

WASHINGTON — In the face of U.S. Navy exercises off the coast of Nicaragua since late July, the flow of military supplies from the Soviet Union, Cuba and Eastern Europe continues unabated, State Department officials said Tuesday.

But officials specializing in Central America contend that since the Reagan administration stepped up pressure against Nicaragua last summer, the Nicaraguan government has agreed to a draft regional declaration of objectives to foster elections and democratic institutions, to remove outside military advisers and to halt outside military aid to the region.

Representatives of nine Latin American countries, meeting in Panama from Sept. 7 to 10, reached general agreement on a 21-point declaration embracing those objectives, but the declaration has not been released pending final approval by the nine governments. Administration officials said they would regard it as a major diplomatic gain for Nicaragua to commit itself formally to such objectives.

Without what the officials called the incentive of American pressure through military excercises and aid to rebels fighting the Managua government, the Reagan administration says Nicaragua would not have been receptive to a regional commitment.

According to the State Department, U.S. intelligence has detected some reduction in Nicaragua's military aid to guerrillas in El Salvador. The main shift, officials said, was from supplies of heavy arms to small arms, ammunition and spare parts.

But they were unable to pinpoint whether the shift was in reaction to U.S. pressure or changes in the tactics and military needs of the Salvadoran rebel movement.

Officials said it was a disappointment, however, that there had been no visible slackening in the tempo of Soviet, Cuban and East European cargo ships headed for Nicaragua.

The Versace Collection: A Study in Asymmetry

By Hebe Dorsey
International Herald Tribune

MILAN — Gianni Versace emerged Wednesday as Milan's most sophisticated designer, as well as its gutsiest. He is also the most accomplished and versatile designer, who can do sportswear as well as evening dresses.

His strong signature is now international, thanks to a lot of work and quite a bit of money. For Milan is a big-bucks story and Versace does not mind spending $1.2 million a year on promotion and advertising.

MILAN FASHION

It has paid off in patronage, and his name is now linked with a young and beautiful group, including many show business people, such as Candice Bergen and Barbra Streisand. Last week, Princess Caroline of Monaco, who has just agreed to be guest editor for the Christmas issue of French Vogue, ordered 12 dresses from Versace. She will pose for an official portrait by Richard Avedon in one of Versace's metal mesh dresses.

Wednesday's collection gave some vigor back to Milan and had buyers raving at the end of the show.

"I love all the dresses," said Ellen Saltzman, vice president of Saks Fifth Avenue.

Don Morton, formerly with Marshall Field and now an independant consultant, rated Versace's a "four-star collection."

Versace did a long skirt — slim, slit and asymmetrical. Jackets were asymmetrical, too, and very long in the back, which gave them a poncho look. A navy poplin with knit cuffs and strong leather belt was particularly attractive. At night, these irregular jackets, dipping even farther, almost reached the floor.

In a country of tailors, Versace displayed a successful hand at draping, which was used throughout on silk and leather, in swimsuits, jumpsuits, short dresses and long dresses. The prettiest dresses were draped on the sides; the sexiest were gathered at the back in a naughty and revealing manner.

Joe Dorsey

Versace's irregularly cut blue leather jacket with white-and-blue knit insets, blue leather pants and bandeau.

The only drawback to his collection was the enormous number of pants, including some baggy ones, which could well have been left out. The best of the pants were the ultra-slim ones to be worn under long tunics.

The slightly masculine note that pervaded Vesace's daytime clothes came from his use of fabrics, which often originated in his menswear division, but were applied to women's clothing in different, brighter colors.

The metal mesh dress, which Versace introduced a few seasons ago, is becoming more and more elaborate. The newest ones, printed or striped and sprinkled with crystal beads, are a technological feat. The only problem is that although they flow like water, they weigh like lead.

In tune with Milan's mood, Versace's collection is very much into elegance. Well edited, with a less-is-better approach, it is impeccably accessorized. Heads are enclosed in black leather bandeaux, draped and caught with huge crystal buckles. Gloves and shoes are perfectly matched. Jewelry is in simple, geometric shapes.

Unlike other collections, which were drowned in black and gray, Versace showed color, including a cheery purple and raspberry.

Laura Biagiotti's collection was all over the map, including a brief moment at Chanel's. Her forte was the short cashmere dress cut very full with even fuller, tiered Pierrot collars. In a hot mixture of reds, the dresses came off quite well.

There is a little girl sleeping in Biagiotti's heart, which accounted for full-blown and tiered dresses, printed with childish blocks and set off with little ribbons in the hair. One of her best ideas was the linen blouson with argyle patterns to be worn over bi- and tricolor bathing suits.

At the end, a southern belle look, with scooped-out shoulders, was followed by Biagiotti's suggestion for Rome policewomen — which was more colorful and less chic than the one Lagerfeld did for Fendi on Tuesday.

As for Luciano Soprani, there are people who say he will grow yet. In the meantime, his collection is ultraclassic, demonstrating, as if there were any need, that there are too many pants in Milan. But Soprani knows how to cut a pretty blouse, and his palette is attractive, with khaki and purple an unusual combination.

He also designs Gucci's collection these days, as well as Basile, and all three are not exactly aiming at fashion adventures.

On the party circuit, Andy Warhol came from New York to inaugurate his retrospective of Italian designers' portraits with a big bash Friday.

SCIENCE

Sex in U.S.: Conservative Views Prevail

by Jane E. Brody
New York Times Service

THE largest and most comprehensive study of American couples ever undertaken has found them to be far more conventional than expected in attitudes and behavior toward sex, money and work.

Despite widespread discussion of sexual freedom, for example, the study revealed that more than two-thirds of married men and women are monogamous, although women's extramarital activities are becoming more like those of men. And while couples were happier when the opportunity to initiate and refuse sex was shared equally by the partners, in more than half of married couples the husbands still were the primary initiators of sexual activity. However, the findings indicate that married couples engage in sexual activity more often and more regularly than the researchers expected on the basis of previous studies.

With regard to money and work, the study indicated that, as in the past, earnings were found to largely determine the balance of power in relationships, and most married men are not happy when their wives earn more than they do. When roles are reversed, with men doing the housework and women providing the income, "couples become dreadfully unhappy," the study showed.

And although 60 percent of wives now work outside the home, only 30 percent of couples said they believed that both spouses should work. Even when wives have full-time jobs, they continue to do most of the housework. Many husbands of working wives were opposed to doing housework and resentful when they had to.

Furthermore, couples living together but not married were found to be far less liberated about money, sex and housework than their nontraditional living arrangement might suggest.

The study, to be published in two weeks as a book, "American Couples" (William Morrow & Company, $19.95), was conducted under a National Science Foundation grant by Dr. Philip Blumstein and Dr. Pepper Schwartz, sociologists at the University of Washington in Seattle.

When the project began in 1975, many changes were challenging the structure and permanence of the traditional American couple: The divorce rate was soaring; the roles of men and women at work and at home were in a state of flux; many more homosexuals, both male and female, were living openly as couples, and many heterosexual couples were living together unmarried.

"It is the fondest wish of most people to be a couple," Dr. Schwartz said in an interview. "We got a strong sense of how much people want to make their relationships work. But it is more difficult these days to stay together because a variety of centrifugal forces pull couples apart."

In the first major study to look at couples of all types, the researchers surveyed married and unmarried heterosexuals who are living together and homosexual men and women. Extended questionnaires were widely distributed in three metropolitan areas — Seattle, San Francisco and New York — and efforts were made to get a diverse group of participants. In each case, both members of the couple had to complete the questionnaire independently.

More than 12,000 questionnaires were included in the analysis and supplemented by personal interviews with 300 of the responding couples. Eighteen months afterward, half the couples were sent followup questionnaires to determine whether they were still together and if not, why not.

The researchers predicted that if their nonrandom sample of volunteer respondents was not wholly representative of American couples, the bias should be toward the more liberal side. "If that is the case," Dr. Schwartz observed, "this country is really very conservative." She said the main problem with the sample was that it did not represent minority groups at all.

Dr. Schwartz said a second book would examine such factors as children, in-laws, friends, communication of affection and management of conflict as determinants of happiness and stability.

Perhaps the study's more important findings to date are indications of what does, and what does not, increase the chances that couples will break up. Among all four types of couples, conflict and dissatisfaction with the way work intrudes into the relationship were often associated with a breakup. For heterosexuals, conflict over the woman's job was the main factor. Even in new marriages, when the wife was ambitious, the relationship was less stable. However, a wife who was happy in her job tended to be happy in her marriage, perhaps, the researchers suggested, because she relied less on the marriage for personal satisfaction.

Except for long-married couples, breakup was higher among couples who spent a lot of time away from one another, taking separate vacations, having separate friends and often eating apart. On the other hand, a lack of "private time" was a source of dissatisfaction, especially for married women who work.

The researchers noted that while early in marriage husbands said they needed more time on their own, in more long-standing marriages men wanted more time with their wives and the wives preferred more private time. Many wives resented retired husbands who "hung around" the house and demanded their constant companionship.

Conflicts and dissatisfaction about sex also threaten the survival of couples. However, frequency of sexual relations was not a factor, the researchers concluded. "People who have sex infrequently are just as likely to have a long-lasting relationship as those who have sex often," the researchers said.

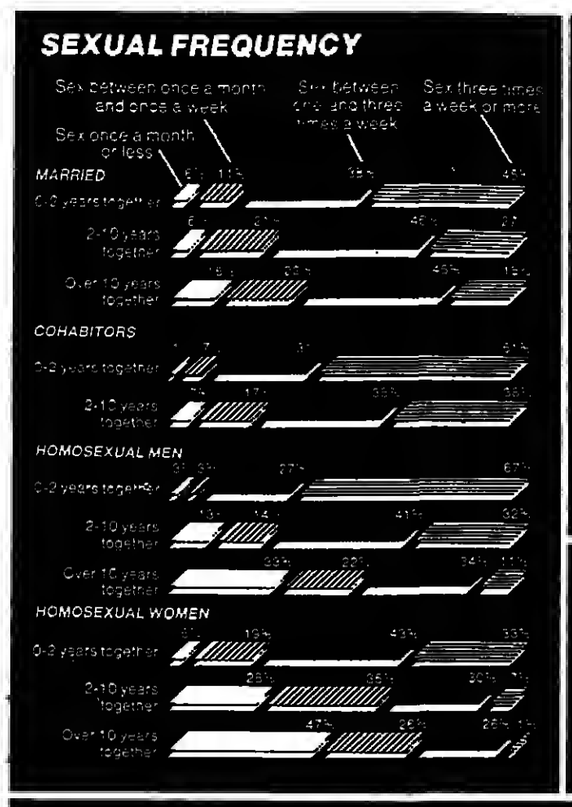
As for the type of sexual activity, heterosexual men who perform and receive oral sex tended to be happier than those who did not, but oral sex was not found to be necessary for a heterosexual woman's satisfaction. Among heterosexual couples surveyed, 72 percent of the women and 74 percent of the men performed oral sex at least some of the time. The researchers were surprised to find, however, that intercourse was more important to a heterosexual woman's happiness than to a man's.

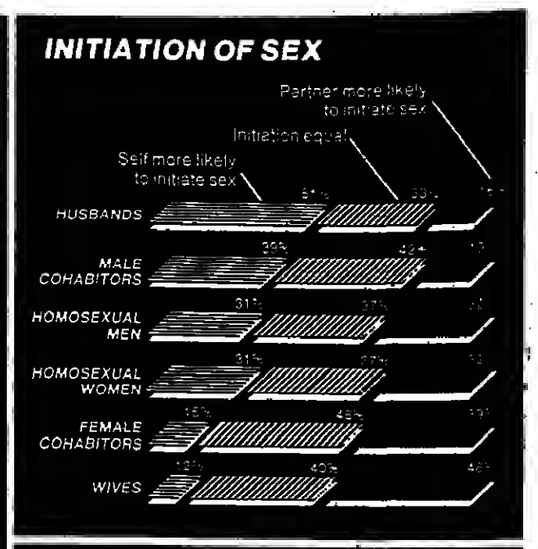
Infidelity was found to be a threat to the stability of married and lesbian couples no matter when in the relationship it occurred, and to cohabiting couples in the first few years of their relationship.

While one extramarital act did not necessarily lead to a "career of infidelity," the researchers said, they found that husbands were more likely than wives to repeat their extramarital activities. However, wives who had outside sexual relations were found to be less committed to their marriages than husbands who did the same.

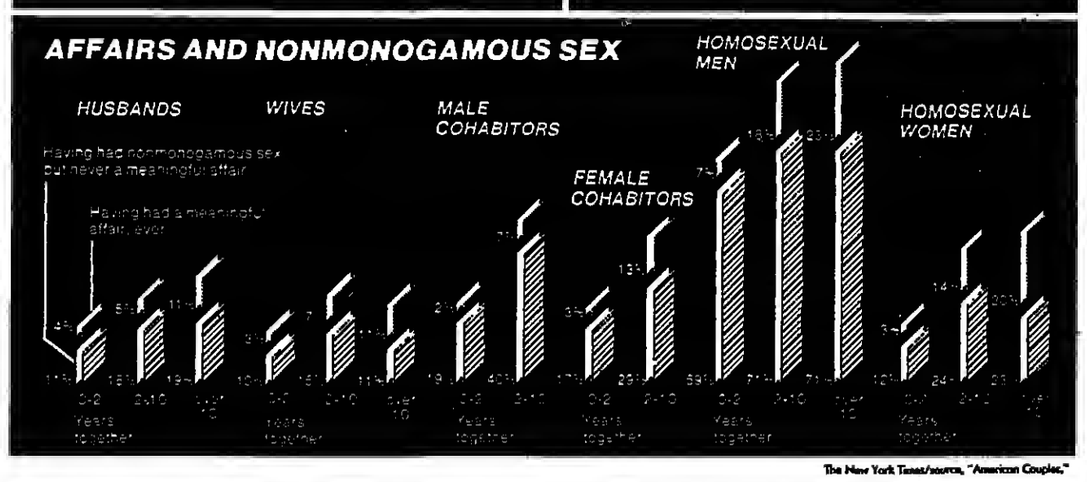
In contrast, established male homosexual couples tolerated outside sexual relations very well. About 90 percent of the homosexual men with partners had had sexual relations with other men, but it was nearly always casual sex.

For all types of couples, the researchers found, the more equal the partners were in controlling how money was spent, the more peaceful the relationship. Among cohabiting couples, those who kept their money separate were less likely to argue about finances. However, women who were economically independent were less likely to stay in relationships.





The results of more than 12,000 questionnaires on sexual behavior as well as on jobs and feelings about money provided researchers with an unusual glimpse of the lives of American couples. They concluded that, in the words of one researcher, "this country is really very conservative."



The New York Times/source, "American Couples."

Promiscuity Believed to Be Declining

By Richard D. Lyons
New York Times Service

A MARKED decrease in casual or promiscuous sex has been occurring in the United States in the last several years, many experts believe.

Psychiatrists, public health workers and law-enforcement officials say their suspicions are being confirmed that such a decrease has been taking place. The reasons go well beyond the fear of such diseases as acquired immune deficiency syndrome (AIDS) or herpes and include a broader kind of retrenchment from the sexual revolution of the 1960s and '70s, according to the experts.

These students of contemporary social behavior say the shift away from the kind of indiscriminate sexual behavior that often involves people who do not know each other well or are not engaged in an otherwise close or intimate relationship, is occurring both among heterosexuals and homosexuals.

The change is particularly discernible among homosexuals who have adopted a much more conservative sex life in response to anxiety and outright fears about contracting AIDS, which has struck more than 2,250 people in the United States and Puerto Rico, three-quarters of them homosexuals. More than 900 of them have died as a result of the disease.

In Madison, Wisconsin, doctors in charge of a program for the control of venereal diseases in homosexual men have found that men they surveyed in 1982 had had an average of 6.8 sexual partners in the previous 30 days. In 1983, that number plunged to 3.2. Moreover, they found that in 1983, 7.4 percent of men they surveyed had been abstinent for the previous 30 days, while no such men were found in 1982. "We attribute the observed decline in promiscuity to the fear of contracting AIDS," they wrote in the Lancet, adding that so far, AIDS has not appeared in Madison.

Dr. Shirley Zussman, a Manhattan sex therapist, agreed that significant changes in sexual behavior had occurred lately, but said that AIDS and herpes were not the only reasons for the changes.

"Many men and women in their 30s who were in the forefront of the sexual revolution in the 1960s are beginning to question whether casual sex and the lifestyle that goes with it is really as exciting as it has been made out to be," she said.

"Many of these people, particularly women, began to see casual sex as a sign of an empty sort of life, and the addition of the herpes scare gave them added pause to examine their sex lives," she said.

Fears about contracting genital herpes have had less of an impact among heterosexuals who affect a more open, uninhibited sex life; yet their sexual activities are also undergoing a gradual reversion to more traditional patterns.

"A wind of conservatism is sweeping the country," said Dr. June M. Reinisch, director of the Kinsey Institute for Research in Sex in Bloomington, Indiana.

Public health officials in New York, Denver and Los Angeles have reported that the fear of AIDS has led to a marked drop in such venereal diseases as syphilis and gonorrhea among homosexuals.

Bruce Mailman, a partner in a homosexual bathhouse in Manhattan's East Village, estimated that his business had fallen "well over 15 percent recently because homosexuals are frankly terrified about AIDS." But he too said that social, as opposed to sexual, activity had increased among homosexuals.

This same change in attitude has been observed in recent years among heterosexual men and women students at Ohio State University by Dr. Nancy Clatworthy, an associate professor of sociology there.

Dr. Clatworthy, who conducts surveys of sexual activity every five years, said the percentage of women who said they had engaged in premarital sex rose markedly through the 1960s to 80 percent in 1975, then dropped off to 50 percent in 1980.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Democratic Confidence

The health of parliamentary democracy came under scrutiny this week in Strasbourg, where the Parliamentary Assembly of the 21-nation Council of Europe has been holding a conference on the problems and outlook for representative government.

An assumption behind this conference is that the democratic system is under pressure not only from its announced enemies — authoritarian and despotic governments, or terrorist organizations — but also from certain developments within the democratic countries. These include the resort to extra-legal forms of protest; single-issue political organization and voting; the influence of the media on politics, and the disillusionment with democratic government that can follow failure to deal successfully with economic crisis — to remedy unemployment, control inflation, pay for social security.

Those are indeed serious issues, yet it strikes us that one of the most impressive things about Western political life in the last decade or two has been the resilience and resourcefulness demonstrated by the parliamentary system. On the whole, in our view, it has not been losing ground, but gaining it. In not one of the established representative democracies has the system really faltered or even been seriously threatened.

Terrorism in West Germany and Italy was mastered morally as well as practically, without lasting damage to constitutional legality. The economic crisis that began in 1973 has not provoked the rise of anti-democratic parties; the comparison with what happened after World War I and in the depression of the 1930s is striking. An abuse of executive power in the United States was dramatically and democratically checked in the Watergate events and their aftermath.

The community of parliamentary nations has been augmented. Portugal awoke from years of authoritarian government to a revolution, but the result was installation of parliamentary rule. Spain has triumphantly moved into a new order of constitutional monarchy. Indian democracy survived the period of Mrs. Gandhi's emergency powers. The rule of the colonels in Greece ended in disorder and disgrace, and democracy returned. Chile and Argentina today may be edging back toward parliamentary rule.

In recent years it has been the undemocratic nations that have seen the most internal disorder — the places where people have become desperate, as in Poland, or have turned to large-scale violence, as in Afghanistan, Iran, Central America, Southeast Asia.

The demands made upon governments today are undoubtedly complex, and it is true that the democracies have fallen short in important ways. But the larger truth, which must not become obscured, is that parliamentary democracy continues to be more successful than any of its rivals in responding to modern challenges. Complacence is not called for, but there is reason to face the future with confidence.

INTERNATIONAL HERALD TRIBUNE.

Reagan's New Position

Despite changes on the American side, the Russians yielded nothing of substance in the last round of the strategic missile (START) talks, Ronald Reagan says. To move them off the dime, he offers further changes now. It is an approach that, some of the faithful are likely to remind him, he might have scorned in the past. Other Americans, whose main concern is for a good agreement, can only be gratified that he is reaching out to address the Kremlin's main strategic concerns, even as he hopes it will address his own.

Keep in mind the familiar and, in the past, not unjustified complaint that Mr. Reagan, in pursuit of an illusive superiority, sought to limit Soviet advantages without affecting American ones. Theoretically, the initiatives he announced on Tuesday would seem to dissolve that complaint. We say "theoretically" since the numbers have yet to be filled in and the process of a negotiation can go wrong in many ways. But the concepts look promising.

Mr. Reagan now offers two schemes for arms reductions. The first, reflecting the evolution of his initial approach, is to negotiate "trade-offs" of the strengths of the two sides — the destructive capacity of Soviet missiles, for instance, and the superiority of American bombers and bomber missiles. The second scheme, formally unveiled on Tuesday, is to write into the U.S. proposals a "build-down" requiring old weapons to be cut as new and presumably more stable ones are deployed.

There is more to the new American position than meets the eye. It reflects a substantial and continuing contribution both from members of Congress who were skeptical of the administration's earlier approach and from the bipartisan Scowcroft commission, which Mr. Reagan set up when his strategic policy bogged down over the MX. These outsiders accepted the Reagan double emphasis on strength and deep reductions, adding to it a second double emphasis on strategic stability and negotiability. The result is a proposal at once better tailored to diverse U.S. interests and more certain of congressional and public backing.

Mr. Reagan has been making analogous changes in the talks with the Russians on missiles in Europe. A measure of his success is the Kremlin's fresh protest that the Europeans are becoming "parties to the U.S. conspiracy."

The START prospect was uncertain even before the South Korean plane disaster. But Mr. Reagan acted the leader in keeping his balance and ensuring that the Washington debate over his START policy stayed open. In roughly similar circumstances, Lyndon Johnson postponed his planned arms control debut, and Jimmy Carter could not sustain the drive to have SALT-2 ratified.

At present, Mr. Reagan has two of the three ingredients of real progress: an evolving position and growing support for it. What he does not yet have is a Soviet partner.

— THE WASHINGTON POST.

Other Opinion

The United States and China

After two and a half years of deterioration, Sino-American relations took a great leap forward last week when President Reagan and Premier Zhao Ziyang agreed to exchange visits in early 1984. The breakthrough can produce major political and economic gains.

China believes its interests lie in non-confrontational relations with both Moscow and Washington. That's fine. It needs to devote more attention to modernization and economic growth. That can make China a major player in the global strategic balance and promote stability in Asia. Both sides should cooperate on reaching that goal.

— The Chicago Sun-Times.

In spite of the parallels that exist between Chinese and American interests, Beijing has no intention of acquiring the image of an American ally. Its main concern is to act as a counterweight in maintaining a balance between Moscow and Washington. But if that balance should ever shift markedly in favor of the United States, one of the questions Beijing will certainly raise in an attempt to restore equilibrium will be that of Taiwan.

— Neue Zürcher Zeitung (Zurich).

Sorcerer's French Apprentice

The French plan to provide Iraq with Super Etendard fighters and Exocet missiles can be compared to an unskilled magician's attempt to show tricks be cannot fully control.

Reports from Paris have said that Iraq does not plan to actually attack Iran with Exocet missiles but plans to use them as a means to prevent an expansion of the war and also to compel Iran to negotiate with Iraq. Even if the missiles are not used in combat, Iraq can employ them to threaten foreign oil tankers cruising in the Gulf with the objective of choking the Iranian economy. In this case, the Gulf would be virtually blockaded.

France claims it will not sell Super Etendard fighters but "lease" them. This may be a generous deal proposed by the third-largest "merchant of death" after the United States and the Soviet Union. But can the French "lease" not be interpreted as [making France] a belligerent country with Iraq against Iran?

President Mitterrand may offer an excuse that the contract was concluded by his predecessor, President Giscard d'Estaing, [but] we urge him to reconsider his decision in order to honor French socialism.

— The Mainichi Daily News (Tokyo).

FROM OUR OCT. 6 PAGES, 75 AND 50 YEARS AGO

1908: Bulgaria Claims Independence

CONSTANTINOPLE — It was nearly five o'clock [on Oct. 5] before the Porte, the Embassies and the Bulgarian Diplomatic Agency received confirmation that Prince Ferdinand had proclaimed the independence of Bulgaria at Tirnova at midday. Kiamil Pasha immediately called a meeting of the Ministerial Council, which decided to submit to the Sultan a protest addressed to the Great Powers declaring the action contrary to the Treaty of Berlin. A violent scene took place between Kiamil Pasha and Baron Marschall von Bieberstein, the Grand Vizier having reproached the Ambassador that Austria, an ally of Germany, had combined with Bulgaria for the proclamation of the independence of the principality in order to take advantage of the circumstance to annex Bosnia and Herzegovina.

1933: Tammany Hall Stunned

NEW YORK — Tammany was dealt a crushing blow when the Bronx Democratic committee voted unanimously to bolt the ticket headed by Mayor John P. O'Brien and support Joseph V. McKee, an Independent Democrat. The revolt, engineered by Edward J. Flynn, McKee's political mentor and a close friend of President Roosevelt, puts a united Bronx machine behind McKee. A second blow to the Tammany cause, which left old Hall leaders more stunned than the Bronx move, was the announcement by McKee that James J. Hoey, Governor Alfred E. Smith's floor manager at the presidential nominating convention last year, had agreed to run on the McKee ticket for the borough presidency of Manhattan. Just where the Fusion forces led by Fiorello LaGuardia fit in is doubtful at this moment.

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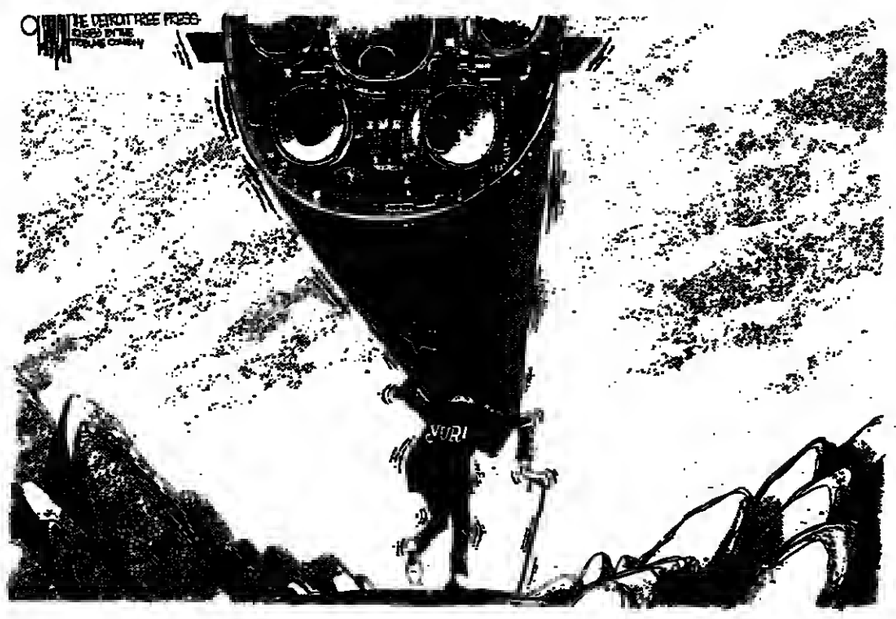

Why Can't the Kremlin See Its Interest?

By James Reston

WASHINGTON — Sometimes things have to get a little scary before anybody pays much attention. This may be happening in Washington now with regard to U.S.-Soviet relations, although it is not yet seen to be happening in Moscow.

President Reagan is singing a gentler tune, and once in a while Speaker O'Neill thinks they should sing it together. For the first time in this administration the leaders of the executive and Congress agreed in advance on a new set of nuclear arms control proposals to be placed before the Soviet negotiators in Geneva.

These were approved in consultation with the NATO allies. The proposals were not all that different from previous Reagan suggestions rejected by Moscow, but the president's approach and tone were different.

He told Yuri Andropov, in effect: Look, there is no way either of us can get everything we want. But maybe, step by step, we can get something: a brake on the development of more nuclear weapons, an agreement to keep them from polluting space.

Mr. Reagan is changing his tune because his fiery rhetoric was beginning to worry the British, the West Germans and the Italians, on whose territory the new American cruise and Pershing-2 nuclear weapons will be placed in a few weeks. And also because the people of the United States were beginning to think that maybe America was drifting into deep and dangerous waters.

This is Mr. Reagan's dilemma: When he sounds too tough he is attacked at home, and when he tries to compromise the Soviets regard it as a sign of weakness. They then try to exploit his conciliatory attitude to frighten the allies and separate Western Europe from America, which has been their main political objective since the end of World War II.

But the Soviet Union misjudges both the United States and Western Europe. There was a time when many West Europeans thought that the Soviet Communists had an answer to the puzzles of modern life; but the Soviets have made such a spectacular failure of their lives that even the Communist parties of Western Europe no longer regard the Soviet Union as a model for their countries. The Soviets are falling further and further behind in the computerized world in every field except the production of military missiles.

Mr. Andropov is no dummy. He has been trying to change the Soviet system, and to raise production on the land and in the factories, and to control inefficiency, absenteeism and drunkenness. But he is in trouble at home and in his East European empire, where the people hear the news — especially in East Germany, and where people are beginning to know that life is better on the other side and are beginning to dream of unifying the German state.

Probably within the next few weeks, before the U.S. missiles are put in place in Europe, Moscow will offer to withdraw or destroy some of its SS-20 missiles if Mr. Reagan and the allies will agree to hold up the new deployment for a while.

That is not likely to be acceptable in Washington. America and its NATO allies, despite the opposition of the "peace movement," are determined to maintain a balance of nuclear power in Europe until the day, if it ever comes, when the Soviet Union agrees to reduce, verify and control all weapons of mass destruction.

What is surprising and troubling is that the Soviets have so much to gain by cooperating with America rather than by opposing it, but don't seem to recognize the possibilities.

So Washington waits and wonders if the crisis in relations with Moscow will make officials there reflect on the dangers of the present mood and bring them back to Geneva with practical if not ideal proposals for the limitation of nuclear weapons.

Unlike Mr. Reagan, they are not under the pressure of public opinion or elections — but they have memories. They lost more than 30 million lives in the two world wars, and no one knows how many wounded bodies and minds. And a little more news is beginning to seep through the Iron Curtain to their own and their captive peoples in Eastern Europe.

At least the Soviet people know that they are not selling grain to the West, that people are not trying to get into the Soviet Union but trying to get out, and that, whatever else the West does, it doesn't shoot down helpless civilian planes.

The New York Times.

An Officer Puts the Case Against a Nuclear Freeze

By David H. Burton Jr.

The writer is a captain in the U.S. Air Force. This is excerpted from a letter he sent to President Reagan and distributed in his hometown, Lexington, Massachusetts.

DEAR Dr. and Mrs. ———, I've noticed that you have lent your names and support to the Lexington Committee for a Nuclear Weapons Freeze. I am glad to see that our community is now taking an active interest in this vital matter.

I have also studied Soviet strategic doctrine. I have lived one full week out of every three in a concrete shelter, behind a fence, with my combat-ready, nuclear-loaded embodiment of human genius and failure quietly waiting outside my door in the snows of North Dakota. I have eaten with it, lived with it and slept with it.

One does not come to this position with a blinded eye or heart. Nor does one become immune to the consequences of his mission. To the contrary, one's awareness is dramatically increased during those hours of waiting for the klaxon. (Is it real, or another exercise?)

What then, you may wonder, could so possess a man that he would be ready to inflict such destruction upon his fellow men? Is it some sense of patriotism or chauvinism? No. It is the knowledge that by his very determination, skill and willingness to follow that ultimate command he is serving the strange principles of the maintenance of Peace on Earth.

Let me state an extremely paradoxical truth: Nuclear weapons have been the single greatest force for peace that our generation has known. Their existence has made global war utterly unthinkable. So long as both sides have had a "second-strike capability" — that is, the power to inflict unacceptable losses upon the enemy even after suffering a full-scale first strike — the concept of either a preemptive attack or an attack to further one's political objectives has remained an absurdity. This condition has prevailed from the late '50s.

Advances in technology, as well as a relative neglect of our strategic forces (the B-52s I flew were older than some of our pilots), have upset this fragile balance. We are now entering an era when the greater numbers, destructive capacity and, most of all, accuracy of Soviet missiles can render a devastating blow on our retaliatory capability. The Soviet perception is shifting, and justifiably, toward the concept that they could survive, and even win, a nuclear war. There is nothing that could make their leaders happier than freezing the current strategic situation.

What, then, are we to do?

The first step is to recognize that the opposing side has vastly different objectives. They need not be responsive to the demands of their people; they can manipulate those demands through their societal controls. They will make promises only when the making serves the state, and break them for the same reason.

With the Soviets, you bargain from a position of strength, or you lose the negotiation. Unlike America, the leadership in the U.S.S.R. seldom changes and their objectives have never changed. What was true during the Cuban Missile Crisis is true today: The Soviets will be bluffed only when you're not bluffing.

While a freeze of the current situation may be desirable from the Soviet point of view, what's to motivate them to reduce their nuclear capability? The Soviet Union cannot afford another high-tech round in the arms race. They recognize that in a head to head technological-industrial competition they would lose despite multibillion-dollar efforts. If nuclear arms reduction were clearly the only alternative to an arms race, it is extremely likely, in the present economic, technological and political climate, that they would choose it.

Thus we must show that we are not bluffing. We must vigorously pursue the president's arms program to restore our second-strike capability, or we can forget meaningful limits to nuclear weaponry, much less reductions. Ironically, during this pursuit it will be our fervent prayer that the millions in research, design and test funds will have been "wasted" because the Soviets found our resolve to be credible. Of course they'll probably wait until we're ready to deploy the first new system before their first meaningful concession is made, but serious and meaningful reductions and a safer world for our families will result from our resolve.

Consider the worst-case result of this strategy: If it fails, we'll still have restored that stabilizing condition known as second-strike capability. We'd have done our part, for a while longer, to ensure the security of the free world.

On the other hand, the worst-case result of the freeze strategy is the fruition of your greatest fears. A freeze is the easy way out. It is free, and it is expedient, and so it appeals to the frustrated souls who share the strong gut feeling that something must be done. But it totally ignores the political and military realities.

The New York Times.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

Torture, by All Accounts, Won't Just Go Away

By Jonathan Power

LONDON — Argentina's military government has approved a law granting the military and the police immunity from prosecution for crimes committed during the years of military repression. Few in Argentina dispute the fact that hundreds of leftists and their sympathizers were killed and thousands were tortured during the years of military rule.

Maybe the elections set for the end of the month will bring to government true democrats who will once and for all rid the country of its less than appealing traditions. There is a good chance, though, that the Peronists will return to power, and scrupulous democratic behavior is not exactly their trademark.

At an international colloquium on how to combat torture, held in Geneva earlier this year, François de Vargas observed that although some rare examples to the contrary exist in contemporary history, in general the practice of torture continues even after change in government. Either the new government has an equal disrespect for human rights, as in Ethiopia and Iran, or the same police system survives and the new government is unable or unwilling to change it, as in Uganda and Equatorial Guinea.

Torture, the systematic use of violence to inflict maximum pain in order to extract information, break resistance or simply intimidate, is a product of civilization. Primitive man, in animal fashion, seems to have followed his instincts and killed his enemy as swiftly as the job could be done. Archaeologists who have dug up prehistoric skeletons have found no evidence of torture. Even human sacrifices were made without prolonged suffering. It appears, then, that man existed for several hundred thousand years without using torture, and that only in the last few thousand years has it become a weapon of state.

Egon Larson, who has made a study of the subject, writes that the great Roman and Greek civilizations left detailed records of torture. Both prohibited torture for citizens but permitted it for others. In ancient Athens the testimony of a slave was not considered reliable unless he had been tortured. Rome tortured the early Christians and sent them into the arena to fight with lions; as Rome became increasingly despotic in its later years, even the free man could be tortured for a wide range of offenses.

The Christian Church, repelled by Rome's torture of Christians, for a thousand years used its strength in Europe to abolish torture. Until the time of Pope Innocent IV in the 13th century it was practically unknown in the Western world. But then the Inquisition brought it back.

Heretics were forced to undergo systematic torture while a magistrate sat close by logging carefully the instruments used, the duration of the torture and the confessions extracted.

Use of torture in Europe slowly began to die out in the 17th century. In 1640 it was abolished in England by law, although the torture of suspected "witches" continued for some time. After the 1789 revolution, France made the use of torture a capital offense. Most German states and Russia abolished it early in the 19th century. Indeed the European imperial powers did much to dampen down its uses in the many parts of the world where they had their empires.

Then torture returned with vengeance in the 20th century. It has reached a scale that dwarfs even the darkest of the Middle Ages.

In the civil war that followed the Russian Revolution, torture was used sporadically. It was Mussolini's fascists that were the first government in the 20th century to make torture an official policy of state.

Much torture these days seems to have bizarre sexual ingredients. It was the Marquis de Sade two centuries ago who gave his name to sadism, the sexual enjoyment of cruelty. It appears that when torture becomes part of the police apparatus of a state, sadists are attracted to it, or the latent sadism that exists in many humans is brought to the fore and given license.

If 17th century Europe could undertake to outlaw torture, surely 20th century mankind could try. Is the world now more civilized or less?

International Herald Tribune.

Nigeria: When America Lets a Democracy Down

By Jean Herskovits

NEW YORK — As the United States and the other IMF members wrangle over the U.S. contribution, the fund risks jeopardizing one of its key roles — stabilizing the economies of developing countries beset by global recession.

The fund renounces any political role or political criteria for lending, but its support is sometimes vital for recipient countries trying to consolidate democracy. It must not now abandon this role in Nigeria, where a fledgling democracy is trying to weather severe economic difficulties.

On Oct. 1, the 23d anniversary of Nigerian independence, Shehu Shagari began his second four-year term as president. Five weekly elections starting in August, although marred by fraud and violent incidents, were a victory for democracy — a victory that surprised many skeptics. But this is not the end of the test. More challenges to democracy lie ahead — at a time of economic malaise.

Nigeria depends on oil exports for 90 percent of its foreign exchange. It has been hard-hit by the oil glut brought by world recession; its $14-billion debt seriously threatens economic planning and the people's expectations. The government has been looking to a projected IMF program to help it through its debt crisis.

For the moment, Nigerians are still preoccupied with the elections — the violent incidents that followed the presidential vote and the fraud in balloting, voter registration and authorization of polling places. There were, however, no detentions, preventive or otherwise, and President Shagari is adamant that Nigeria shall not have a single political prisoner.

Paradoxically, the fraud can be interpreted as evidence of Nigerians' commitment to democracy. Local party members often did their rigging with an eye to 1987 elections, positioning themselves to stake claims based on what they "delivered" this time. What is clear is that President Shagari won with strong support throughout the country — an important mandate for what the constitution dictates must be his last term.

His greatest challenge will be to reassure Nigerians that the state can provide democracy and social justice. Several lawsuits over some of the election results are helping to dispel uncertainties about the voting, but he must also meet explosive charges that elected and appointed political figures have prospered, often unethically, while millions of already poor Nigerians bear growing hardships.

In his first term he launched an as yet rhetorical campaign against corruption, but he himself despairs at how hard it will be to eliminate it. This term he must do more.

He insists that this time he will choose his own cabinet and advisers: no lists from party branches, no lobbying on the basis of results delivered. His party has a majority in both the Senate and the House.

But to succeed, his programs must be accompanied by economic stability. He recognizes this and accords economic questions a top priority. Even during the election campaign he did not lift tough austerity measures, meeting some of the conditions for a $2-billion IMF program even before negotiations were begun.

There is a limit to what he can do. Oil revenues are improving as the world moves out of recession, but the slowness of recovery, global conservation and quotas set by OPEC mean that Nigeria's foreign debt problems will not disappear quickly, despite the basic soundness of its economy.

An imminent agreement with the IMF was expected to open the way to solutions. Instead, for the first time ever, a lack of funds threatens to halt all of the fund's new stabilization.

The obstacle is America, the only major contributor failing to authorize its quota subscription and thereby threatening the fund's liquidity. Nigeria will be an immediate victim.

Nigerians have never asked a foreign country to solve their problems, nor do they ask it now. But they are entitled to ask that those countries that say they value democracy do not compound those problems.

The writer, a professor of history at the State University of New York at Purchase, visited Nigeria during the recent elections and contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Questions Remain

Regarding "RC-135 + KAL 007 = Some Questions" (IHT, Sept. 16):

On the evening when the Korean Air Lines tragedy was reported, Swedish television showed an interview with a Swedish airline pilot. He said that, given the navigational equipment the Boeing 747s carry nowadays, it was inconceivable to him that such a plane could just stray hundreds of miles off course.

As the din of propaganda flying in both directions went up, no one seemed to be asking how that happened. But American hawks had a field day, getting congressional approval for the MX missiles and nerve gas. And it can be predicted that the stationing of new missiles around Western Europe this fall will go down a little more easily than it would have before that catastrophe.

Now we read that the RC-135 reconnaissance plane that was in the area presumably had the capability to head off the disaster and didn't. We must press the U.S. government to address the question squarely: How did KAL flight 007 go off course?

LEO TREITLER.
Stockholm.

What was the airliner doing for more than two hours over strategically sensitive Soviet territory? Why did the crew ignore commands to land?

DIAKU ZANKPA-KPAKUBA.
Florence.

If I am to believe that the government of my country's neighbor to the south has been frank, it must fill in the gaps of its version of the incident.

C.P. FOGARTY.
Ottawa.

Greek Objections

Regarding "Muzzling Papandreou, the EC's Problem Student" (IHT, Sept. 26) by Leopold Unger:

Allow me to point out three factual errors in the above article:

George Papandreou's government lasted from 1963 until 1965, and not from 1964 to 1967.

Civil war in Greece ended in 1949-50, and not in 1947.

Greek exports to East European countries represented 6 percent of foreign sales in 1981 (IMF Yearbook, 1982) and 7.7 percent in 1982 (Statistical Bulletin of the National Bank of Greece, 1983) — and not 15 percent.

Furthermore, the Greek Socialist government won the elections because of its socialist program of national independence, social justice and democracy, rather than "with the help of anti-American slogans," as Mr. Unger would have it.

P. METALLINOS,
Press Counsellor.
Embassy of Greece, Paris.

How About New Jersey?

Amid all the furor stirred by Charles M. Lichenstein's statement about the willingness of the U.S. delegation at the United Nations to be "down at the dockside, waving you [the United Nations] fond farewell as you sail into the sunset," only your cartoonist Oliphant (*IHT, Oct. 4*) has bothered to point out that "you can't do that out of New York." Oliphant is of course right, in the sense that quitting New York for a foreign port would mean going east. But he overlooks the possibility that the United Nations could move to New Jersey, in which case Lichenstein & Co. could indeed wave into the sunset.

C. GETZ.
Paris.

Sequoia in Normandy

In "Heidelberg's Sequoias" (*IHT, Sept. 26*), Pat Richmond writes: "The sequoia has also been successfully cultivated in England, northern West Germany and on the shores of Lake Geneva in Switzerland."

To that short list may be added the arboretum of the château de Harcourt in Normandy.

MICHEL LEBOUC.
Paris.

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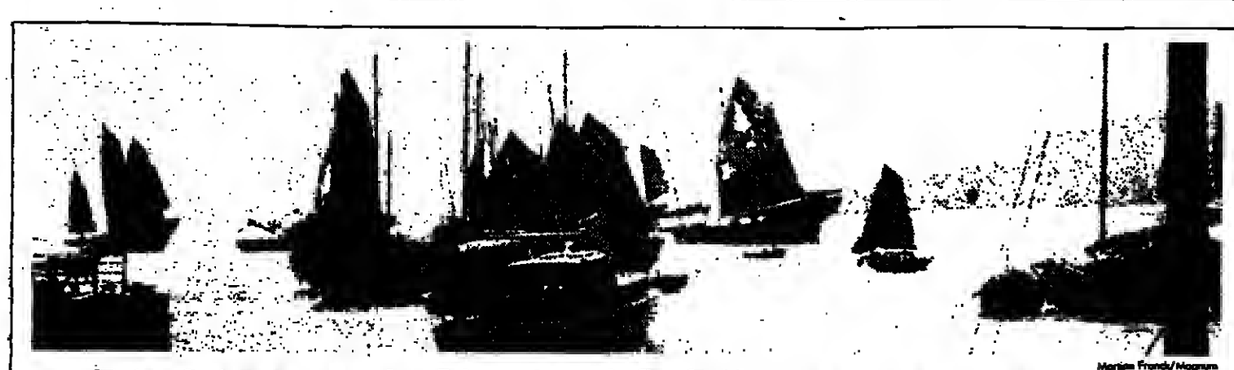
Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

HONG KONG

A SPECIAL REPORT



Marian Franck/Magnum

South China Morning Post

Bassel/RUSH

The busy Castle Peak port area, above. Below, students at the Chan Shu Kui school at play; at right, a young boy in a crowd.

A Preoccupation With Beijing And the Future

By Dinah Lee

HONG KONG — It took a typhoon in September to supplant the No. 1 topic of conversation in Hong Kong. Even as the storm raged, killing eight persons, running 24 ships aground and causing millions of dollars in damage, some residents may still have been preoccupied with the question of the year: What will happen to Hong Kong after 1997.

The future of Hong Kong, the world's third largest financial center and a leading exporter of garments, toys, radio receivers, and watches, hangs on that date, when the agreement with China ceding 90 percent of the territory to Britain expires.

To the millions of Chinese who have prospered here, it sometimes seems as preposterous a situation as it would if the city were Geneva, Rio de Janeiro or San Francisco. If from time to time the Beijing government has said that Hong Kong was really part of mainland China, or if a royal parade wrankled, local entrepreneurs could still reach into their wallets to reassure themselves that they could tolerate both Beijing's political pronouncements and Britain's colonial laissez-faire government. The fiction was perfectly balanced.

Manufacturing investment from the United States at 3.5 billion Hong Kong dollars, from Japan at 2.3 billion Hong Kong dollars and from the United Kingdom at 450 million Hong Kong dollars made the colony richer. Now, Beijing, watchful of possible reaction from Taiwan as well as on domestic politics, appears determined to take the colony back without diminishing its potential for creating wealth.

China has declared that on July 1, 1997, the expiration date of the 99-year lease to Britain of the New Territories, the sovereignty and administration of Hong Kong will pass into its hands.

Hong Kong, once a trading post for opium, consists of Hong Kong Island, the 30-square-mile (77-square kilometer) business center of the colony, and Kowloon peninsula, four square miles (10 square kilometers), the manufacturing center, both of which were ceded in perpetuity by treaties in 1842 and 1860. The third element, the New Territories, consists of 375 square miles (970 square kilometers) of adjacent mainland and islands, leased in 1898 for 99 years. There is no water or food supply to speak of, nor are there energy resources independent of the New Territories. China maintains that all the treaties were illegal.

Both sides have declared that they wish to ensure, whatever happens, that Hong Kong's prosperity and stability are preserved and that the resolution of status is both welcome and acceptable to the Hong Kong people. That is where the problems begin.

Officials from the British Foreign Office meet their Chinese counterparts in an elegant guest house in the Chinese capital in private but not unpublicized sessions of negotiations. So far this year there have been four such sessions, all inconclusive. Their purpose is to find new labels under which Hong Kong can continue to make money. The next round of talks is expected to be on Oct. 19 and 20.

"The crucial point is that Hong Kong people don't care what Beijing says Hong Kong is," said a source close to the British government. "The labels that Hong Kong belongs to Beijing or London have only minimally corresponded to reality for a long time. Any new label is all right as long

(Continued on Following Page)

Low Hong Kong Dollar: A Barometer of U.K.-Chinese Talks?

HONG KONG — Hong Kong is the world's third largest financial center. With its thriving free port, it ranks among the top 20 trading economies of the world. It is the leading exporter of such products as toys, textiles, radio receivers and watches. But for how long?

In purely economic terms, the calendar reads 1997 for Hong Kong. The decisions affecting investment for the future are in limbo, pending the outcome of the current Chinese-British talks over the this 400-square-mile (1,000-square-kilometer) territory's future.

With all the economic indicators pointing to a sustained export recovery linked to the U.S. market, which takes 40 percent of its products, "Hong Kong should be leading the world in recovery," said Hong Kong's financial secretary, Sir John Bremridge. Instead, he said, the economic climate is weird. "Lack of confidence over Hong Kong's future leads to no new investments," he said, and "Everybody is sitting on their hands."

The Hong Kong dollar, local investment and commercial confidence have appeared this year to sink with every attempt by China to issue a pronouncement that would revive faith in a future under its supervision.

The chairman of the Hong Kong Chamber of Commerce, Jimmy MacGregor, blamed Beijing's sustained political campaign, which, he said, is aimed, "not at the hearts and minds of the five and a half million, but at some 30,000 people — bankers, industrialists, businessmen — who make the decisions and move this economy."

"A-year ago that general body of opinion held that there was still a possibility that the Chinese government could be moved from its stated position, which was then not that clear," he said. "Since then the Chinese have spelled out in pretty precise terms what they expect Hong Kong to become."

A French banker said as the fourth round of talks convened in Peking, "All our best people are leaving, our chief auditor, department heads, well, in fact, they've already gone to our branches elsewhere."

Hong Kong is a free-exchange market, and estimates of how much money has flowed in or out must necessarily be vague. The government requires no reporting of foreign exchange transactions or inward and outward remittances. Hong Kong dollars deposits have declined in the six months ending June by 4.182 billioo Hong Kong dollars, down about 3 percent and offset by a substantial increase in foreign currency deposits of 25 percent. Much of this is accounted for by swap deposits, which enable Hong Kong customers to avoid the 10-percent witholding tax oo Hong Kong deposits.

In any event, brokers and analysts said, there is a clear move away from Hong Kong dollars, even though the money appears to be staying within the local banking system. Elimination of the withholding tax on foreign currency deposits has encouraged an inward flow from offshore centers as well, further confusing the picture.

"People are taking out tiny insurance policies in the form of U.S. dollar accounts — nothing significant individually, but important if everybody is doing it," said a local broker with one of the leading foreign firms.

Mr. MacGregor concurred. "Some people have suggested that it is somehow disloyal, but I would say it's predictable, understandable, and part of the function of a free market. You don't hold onto assets that are deteriorating."

Many view the local currency as almost a barometer of local sentiment over the prospects for the continuing Chinese-British talks. On Oct. 4, the Hong Kong dollar reached a record low against the U.S. dollar of 8.64.

As recently as last month, it was prevented from reaching the eight-to-the-dollar barrier by active intervention of the official Communist Chinese bank, the Bank of China. A more realistic picture of the dollar's weakness is the trade-weighted index, which registered 68.4, against the 1972 dollar at 100.

Although the government is believed to have asked

(Continued on Page 10)

Macao: The Other Enclave Takes Transition Calmly

Macao Tourist Office

St. Paul's Cathedral in Macao.

MACAO — Through the leftist Chinese press in nearby Hong Kong, China recently hinted that afteqit takes Hong Kong back from Britain in 1997, it will have to "regularize" the status of the Portuguese colony of Macao.

Bot Macao, a peninsula and three islands covering six square miles (15.5 square kilometers) once the capital of Portugal's Asian empire, remains calm and confident about its future and relaxed about its relationship with China.

Six international banks have been selected for full banking licenses. Seven international hotels have been built or are planned for Macao's four million visitors a year. A television station is planned and improvements are scheduled for roads, postal services and historical sites.

Gambling, an economic mainstay and a primary attraction for 75 percent of the visitors, mostly Hong Kong residents, continues 24 hours a day in four casinos.

The Portuguese, who have administered Macao since 1557, say China's special economic zone of Zhuhai and plans for offshore oil development could lead to growth of financial and supply services in Macao.

With that in the background, even the drastic drop in the local Hong Kong currency, used widely in Macao oext to the pataca, has not overly depressed local bankers.

Politically, Macao, which has a population of about 300,000, progressed in 1979 from being a sleepy "territory under Portuguese administration," rather than a Portuguese territory, to a "Chinese territory under Portuguese administration" under a protocol developed when diplomatic relations were established between Lisbon and Beijing.

Until recently it appeared that Beijing's unofficial representatives, lead by Ho Yin, were in control. Now after two and a half years under the newest Portuguese governor, Rear Admiral Vasco Almeida e Costa, the balance of power seems more delicate. The administration's emphasis clearly is on development.

The admiral hopes Macao's embryonic textile and electronics sectors, which are direct spinoffs from Hong Kong, can lead to Macao's growth as a financial center and industrial investment zone. Under his administration, Macao has begun macroeconomic plans and statistical research. But the growth of exports from $686 million in 1981 to an estimated $750 million in 1983 is tied to rapid overhaul of the energy,

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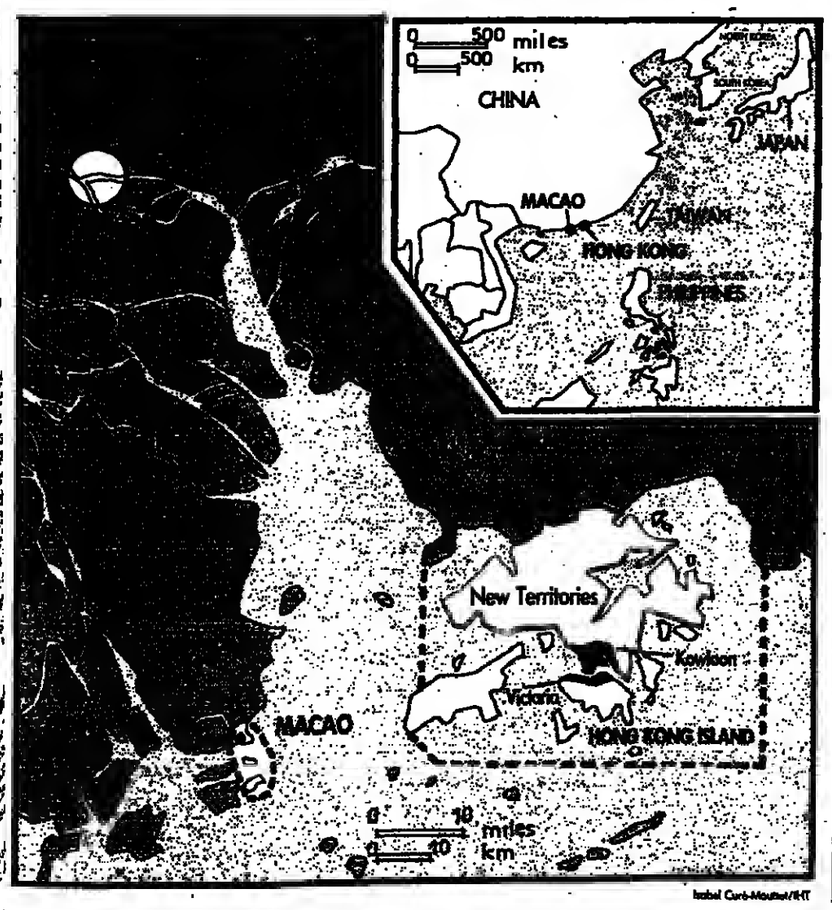


Isabel Curé-Moutet/HT

BASIC DATA

POPULATION (1981): 5,021,066.

COMMERCE: Hong Kong's industries are mainly export oriented. The total value of domestic exports in 1981 was 80.423 billion Hong Kong dollars. The major markets were:

United States (36%), United Kingdom (10%), West Germnay (9%), Japan (4%), Australia (3%), Singapore (2%).

The total value of imports in 1981 was 138.375 billion Hong Kong dollars. The imports came mainly from Japan, China and the United States.

BUDGET: Revenue for 1981 - 1982 was 32,887,700,000 Hong Kong dollars. Expenditure was 25,061,800,000 Hong Kong dollars.

CURRENCY: The unit of currency is the Hong Kong dollar. $1 = 8.64 Hong Kong dollars.

HONG KONG

Beijing and the Future

(Continued From Preceding Page)

as the people here know that the reality is one in which they can trust."

On that score, the Chinese do not appear to have done well among the crucial work force of Hong Kong, particularly among the middle class. Frequent public appearances of Beijing government officials have deepened concern.

The chairman of the Far East Stock Exchange, Ronald Li, said recently: "It's about time the Chinese said what is going to happen before 1997 — what's the use of talking about after 1997. They're already increasing their influence in Hong Kong now to the extent that it's damaging growth."

Like the Chinese proverb, the Beijing policymakers visiting Hong Kong have regularly picked up stones only to drop them on their own feet.

About six weeks before the first round of Chinese-British talks began in July, a member of the Chinese Politburo, Xi Zhongxun, assured visiting Hong Kong professionals that under Chinese sovereignty in Hong Kong after 1997, "Freedom in life will remain unchanged. . .People in our country also enjoy enough freedoms."

Mr. Xi seemed unaware of the effect his promise of mainland-style freedom would have on a population of free-marketeers, many of them refugees from communism.

A second stone dropped was the media campaign waged by the Chinese to win local public opinion over to a sort of modernized united front during a recent recess in talks during August and September.

Aware that there has been no cessation to the flight of capital from Hong Kong or of emigration inquiries by locals, Beijing sent its de facto representative and director of Xinhua news agency, Xu Jiatun, on a series of walks throughout the colony. In early August, Mr. Xu stopped to commend the residents of the Kowloon walled city, a self-regulating historical anomaly created by the 1898 Convention of Nanking, on their administration.

His comments were seen as an endorsement of Beijing's self-rule formula proposed for Hong Kong. According to Lee Yee, editor of a widely read political monthly, the Seventies, this could have been a "test balloon" by the Beijing representative. But it is not known whether Mr. Xu realized that the walled city is regarded by the Hong Kong community as little better than a slum.

"If Beijing wants to have Hong Kong administered like the walled city, it would be a joke — everybody would leave Hong Kong right now," said Mr. Lee.

Then, Hong Kong received a shock in September when Beijing, on a campaign to round up criminals throughout China, arrested five Hong Kong citizens. The men were charged and executed for a series of offenses that ranged from robbing a store in the border town of Shenzhen to drug-trafficking and spying for the Kuomintang, Taiwan's national party. The severity of the sentences did not escape notice among Hong Kong's citizens. It provided a worrying counterpoint to China's assertion that after 1997, Hong Kong's existing legal system with its British derivations will be preserved.

A British observer pointed out that China's civil and penal traditions were a response to a cumbersome and often ungovernable country where for hundreds of years peasants have lived virtually untouched by formal government procedures.

"The Beijing government is now asking Hong Kong citizens, merely on the basis of assertion, to believe that in 14 years they will have evolved the institutions capable of assuming responsibility in Hong Kong," the observer said. "The British can't prove that the Chinese can't do it, but it's an enormous leap in the dark, and not one which is likely to generate confidence in Hong Kong's future."

Mr. Li of the Far East Stock Exchange concurred. "They changed their constitution four times in 30 years," he said. "Why don't they do something consistent to inspire our faith in them."

The shaky optimism triggered by the resumption of negotiations between Beijing and London in July has, after four sessions, faded because of the uncertainty. The leftist press of Hong Kong has hammered at the fact that Britain's encouragement of local interest groups to voice opinions unofficially has had little effect.

South China Morning Post

ECONOMIST'S VIEW: As the U.K.-Chinese talks on the colony continue, Xu Dixin, a Beijing economist in Hong Kong, said that it is "the Hong Kong government's responsibility to maintain the stability of the currency."

Many groups do speak up, nonetheless, and public opinion is in play now more than ever, underlining the basic irony that Hong Kong people have no official voice, recognized as such by both sides, at the negotiation table. Despite calls from local leaders and established principles of international law suggesting that a plebiscite or referendum should be held, Britain responds that Beijing would object and that would not help the talks. Beijing responds that Hong Kong is part of China, so a vote on Hong Kong's future would be a vote of one billion people not 5.2 million.

According to political analysts in Hong Kong, the Chinese, through leftist newspapers, are carrying on a campaign to win over the local government, the rest of the press and the professionals and academics. Student groups also were enlisted when China chose to channel its most definitive list of proposals for Hong Kong through the Hong Kong Federation of Students.

China says that sovereignty over Hong Kong will be assumed in 1997, that Hong Kong people will administer themselves and that Hong Kong's legal and economic systems will remain intact for at least 50 years.

Beijing has both warned that if the British do not cooperate, Beijing will assume sovereignty in 1997 "or earlier," and taken a more soothing approach by sending a representative to make the rounds of Hong Kong schools, industries or leftist unions. Amid all this, irritation in official British circles appears to be mounting — both with China for its abrogation of an agreement to keep the content of the talks secret and with Hong Kong citizens for demanding more confident and aggressive public statements from the British side.

Said a source, "They want something quotable they can rally behind to restore flagging confidence."

But, all signs point to the talks being prolonged and acrimonious, particularly because they are still bogged down over the basic question of when the British should relinquish their hand in administration.

The Chinese maintain that sovereignty cannot be separated from the responsibility for administration. What is more, they appear to many to expect Britain to hand over in 1997 a perfectly packaged, self-regulating and docile ex-colony reconciled to an irreversibly socialist future.

Amid all this, there are indications that China may suspect Britain of siphoning away Hong Kong's wealth and perhaps even the assets of the Hong Kong government, 18.2 billion Hong Kong dollars, and the exchange fund itself, 14.3 billion Hong Kong dollars.

The Talks: A Poker Metaphor?

HONG KONG — The deliberations between Britain and China on the future of Hong Kong may be explained in the framework of a poker game.

It is generally believed that Britain has the stronger economic hand and China the stronger political hand. Despite supposedly secret deliberations, this picture of the negotiations is emerging:

The Chinese team, led by Chinese Deputy Foreign Minister Yao Guang, is offering self-rule for Hong Kong and its 5.2 million inhabitants, under a locally elected chief administrator approved by Beijing. The legal system will remain, but appeals to a high court will move from London to Hong Kong. Free speech, press, right of assembly and right of movement are on offer, although onlookers are skeptical when they look closely at China's record.

Internal security would be carried out by the Hong Kong police, but there have been hints through the press that a People's Liberation Army presence for territorial defense has been mentioned. Maintenance of a free port, issuance of a local currency and separate travel documents are also on the table. Social reforms applying to gambling, for instance, are to be decided by local guidance, but under whose influence or pressure is not clear.

Finally, the Chinese say, top civil servants can stay to help administer the ex-colony. But the British governor, flag and army must go.

The British team, led by the ambassador to Beijing, Sir Percy Cradock, and including the governor of Hong Kong, Sir Edward Youde, has kept its moves secret. But based on private conversations and leaks to the leftist press, Britain would separate sovereignty from the question of who administers Hong Kong. It also appears to seek a period of 20-50 years during which some British link acts as a buttress to Chinese promises for the future. And it wants China to abandon its formula for Hong Kong people governing Hong Kong.

The game has just finished its fourth round. Some say China has tried to rig the outcome by offering Britain oil contracts and guaranteed trade. Others say Britain could cause trouble by freezing assets belonging to the local government, or invoking a United Nations charter for a referendum.

Each side has some strong cards. Britain can bargain with financial skills, knowledge of the government and the territory and commercial experience. But observers point to China's ace, the People's Liberation Army, which is directly across the border and perfectly willing to threaten an early takeover if Britain does not cooperate.

And, while Britain may talk of a "moral responsibility" in the affair, China can respond with talk of the "reunification of the motherland."

Britain did not strengthen its hand when it recently adjusted United Kingdom passports issued to Hong Kong residents so that there could be no misunderstanding among Hong Kong Chinese about their lack of rights of abode in the United Kingdom. The decision was seen in Hong Kong as superfluous and badly timed.

Some Hong Kong residents worry that Britain, with few political interests compared with those of China at stake, may toss in its hand. Doing so, they say, would ease Britain's worries over an awkward trade gap, tough textile competitors and a lingering colonial burden. British observers scoff at such fears.

But for China, clearly a disastrous hand-over would impinge on hopes for reunification with Taiwan. Futhermore, impairing Hong Kong's prosperity would be an enormous financial loss for China. On the other hand, if Hong Kong could administer itself successfully, relations with Taiwan might warm, and the wealth of Hong Kong would continue, providing needed foreign exchange, and domestic political points would be won.

So far, outsiders believe China is in the role of the dealer, since it was China's choice to return to the discussion table last July.

— DINAH LEE

Industry Maintains Growth Despite Colony's Fluctuations

HONG KONG — Industry in Hong Kong is a success story that began with making simple plastic flowers. It now leads in the manufacture of sophisticated transistors, computer peripherals, telephonic systems and wafer chips.

Hong Kong's growth from a barren rock in the middle of the 19th century to a developing and overpopulated if under-resourced territory has been so rapid that some competitors may argue that it is too developed to benefit from preferential trade agreements such as the U.S. General Scheme of Preferences.

In fact, Hong Kong may have been courting disaster with its property boom of the 1970s. The real-estate and development bubble, which began about 1976, burst in mid-1981, leaving banking, property and investment circles severely chastened. Many people blamed political factors, but careless overlending by banks and widespread greed had fueled the cycle.

Many, like Michael Roberts, a director of Samuel Montagu, who arranged a financial package for the ailing Trafalgar Housing, believe the worst of the property crisis is over.

Industries such as textiles and electronics, meanwhile, have kept Hong Kong on a steady annual growth of about 9 percent for the decade ending in 1982. Unlike the property developers with their glamorous buildings in Hong Kong's central district, the entrepreneurs of Kowloon's sprawling industrial sites have turned in profits throughout Hong Kong's ups and downs.

Their success has depended to a large extent on their ability to overhaul assembly lines in days or weeks to accommodate a new fashion or market demand.

Manufacturing interests are anxious to benefit from liquid funds that no longer are lured into real estate and are being held from other projects until the political uncertainties are resolved. Among the interests seeking investors' funds are companies with contracts to produce sophisticated business telephone systems and computer peripherals. The Hong Kong stock market has seen new issues from industrial companies for the first time in two years, and most have been heavily oversubscribed.

Evergo Industrial Enterprise Ltd., Atlas Industries and Lambda Electronics have led the way, although some analysts criticized Lambda for mixing property expansion with technical development.

Skeptics worry about two things: that expansion is mostly limited to rented rather than purchased capacity and that foreign investment decisions — such as the move by Commodore Electronics of the United States to invest in Hong Kong and not Singapore — were made well before worries about the economic recovery gave way to bigger concern about what will happen in 1997.

Hong Kong's oldest industry, textiles, employs 40 percent of Hong Kong's work force and makes Hong Kong the largest exporter of textiles, yarns and finished garments in the world. In spite of recession, Hong Kong exported 33 billion Hong Kong dollars' worth of textile goods in 1982.

However, Hong Kong's textile manufacturers may have been too competitive. Although order books are full for six months, the industry is worried that trouble over quotas in the U.S. market, Hong Kong's biggest, will interrupt the business upswing.

In July and August, Hong Kong was threatened with 10 "calls," which are suspensions of exports of garments ordered by U.S. wholesalers. Although the number of restrictions later was reduced to five, Hong Kong trade officials accused the United States of harassment. The garment industry complained that some of the suspended items had just been "liberalized," or freed from quantitative restrictions, in difficult negotiations with the United States.

A leading exporter of sportswear, Stanislaus Tsao of Lai Sun Garments, explained the complaints with an example of Category 647 — men's and boy's jeans made of a mixture of synthetic and cotton fibers.

"In the last negotiations, Hong Kong was forced in the end to accept 279,000 dozen, or less than 30 percent of our traditional ceiling of one million dozen before the so-called 'liberalization,'" he said.

The U.S. calls left millions of dollars' worth of garments in factories throughout Hong Kong.

The chairman of the Hong Kong Chamber of Commerce, Jimmy Macgregor, predicted, "There is a big danger for Hong Kong in a presidential election year because promises will be given to the strongest lobbies — including the textile lobby — and sooner or later they will have to be delivered on."

— DINAH LEE

HONG KONG

Carrian Bankruptcy: The End of an Era?

HONG KONG — Nothing could have signaled the end of a remarkable era in Hong Kong's property sector more than the arrest on Oct. 2 of George Tan, chairman of the Carrian group. Under Mr. Tan, Carrian rose out of nowhere, funded by no one knew whom, to set up some the biggest property deals in Asia's memory.

Under his chairmanship, the Carrian group — so amorphous and extended as to be called recently by the Hong Kong Commissioner for Securities simply the "George Tan group" — threatens to become the biggest bankruptcy of a private company in history with debts estimated to be between $600 million and $1 billion.

Carrian grew out of an obscure company called Mai Hon Enterprises and purported to be owned by Southeast Asian families, with the Chinese Singaporean Mr. Tan as its winning chief executive officer. He brought the company to attention with the quick turnaround of a luxury office block in Central District, yielding a profit of 400 million Hong Kong dollars, against a purchase price of 1 billion Hong Kong dollars, in only a few months.

In a second deal, Carrian reportedly paid 2.8 billion Hong Kong dollars for a hotel wing and predicted that profits from redevelopment could reach 1 billion Hong Kong dollars by 1985. It was the height of Hong Kong's property boom, and no one questioned where Carrian's limitless funds originated, least of all, it appears, about 50 creditors who continued to lend to Carrian. Carrian's reputation was made — but as what no one was quite sure.

With the collapse of the entire colony-wide property market boom in late 1981 and the fall of the local dollar after Prime Minister Margaret Thatcher's visit to Peking in late 1982, it appeared that Carrian's own billion-dollar star would not rise again. Foremost among Hong Kong's collapsed property giants, Carrian and its mysterious links to large-scale Malaysian funding, primarily from Bank Bumiputra, began to emerge.

Bank Bumiputra's own debts to Carrian appear to be somewhere between $320 million and $535 million. This fact is politically explosive in Malaysia, for Bank Bumiputra, Malaysia's largest bank, was established by the government for the purpose of lending for Malay domestic development, not Hong Kong Chinese property speculation.

The lending was made through a Hong Kong finance arm, Bumiputra Malaysia Finance, and in July, a newly arrived officer of BMF, sent from Kuala Lumpur to investigate BMF's dealings with Carrian, was murdered. It is believed his murder was not connected directly with BMF's Carrian investigation. (By then it was complemented by many other investigations conducted by various official organizations in Hong Kong). But clues in the murder hunt reportedly led to the raid.

The raid and concurrent investigations by the Hong Kong Securities Commission, the independent commission against corruption, and the Organized and Serious Crimes Bureau, put off creditors' appetite to resuscitate the ailing company. The plan devised by the advisers, Wardleys (on behalf of creditors) and Hambros (on behalf of Carrian) looked permanently comatose, if not actually officially dead. Mr Tan, who was once seen as a local *wunderkind*, appeared in the magistrate's court on Oct. 4 on charges of fraud. His executive director, Bentley Ho, was also charged with false accounting. However, it is unlikely that the saga will end neatly. "The real story is to be found in Malaysia, and it is unlikely first that investigators can unravel it all, and secondly — how could any jury understand it," a well-placed source said.

— DINAH LEE

Stock Market Follows Mood of Talks

HONG KONG — Brokers have their own way of referring to the event that sent the Hong Kong stock market to a low of 676 on the Hang Seng index last December. They call it "B.T." — before Thatcher.

They are referring to the visit to Beijing by Prime Minister Margaret Thatcher of Britain in September 1982. It was from that visit, and her assertion there that Britain regarded its treaties with China for the island of Hong Kong, Kowloon and the New Territories as valid, that the political chill dates.

Whether brokers agree with Mrs. Thatcher's political style or not, they rightly pin B.T. as the beginning of a volatile and paradoxical period for the four local Hong Kong stock exchanges. Despite the rise of almost 60 percent between the market's nadir on Dec. 2, 1982, and its highest closing point last July (after news that the Chinese-British talks would soon resume), the Hong Kong stock market has managed a partial and disappointing recovery. That has been largely dependent on overseas institutional interest and locals. (On Oct. 4, the Hang Seng index reached 690.06, down 24.95, its worst level this year).

"The local stock market is in neutral because people don't know how the political talks about 1997 will turn out," said Hatim Hoosenally of W.I. Carr and Sons. "Until the political question is resolved, any progress on Hong Kong's exports will not show through on the stock market."

Following the property collapse in 1981 that brought big speculators such as the Carrian group, Eda Investments and Bylamson and Associates to their knees, 1982 saw total turnover halved to 46.2 billion Hong Kong dollars from the previous year. The climate for raising new funds was arid.

Brokers now say that last year's share issues were more like distress calls from struggling property companies that had been denied new funds from already overextended bankers. In a case like the now-famous Carrian disaster, the debts are estimated to be least $600 million and as recently disclosed, possibly as much as $1.25 billion, with about 50 creditors including Hong Kong's leading banks involved.

This year there has been slightly more confidence in new issues, and late summer saw a flurry of entries motivated by the availability of excess liquidity. Moving into the spotlight were manufacturing and trading equities. The market share of property stocks, on the other hand, shrank in contrast from around 50 percent to 60 percent before Mrs. Thatcher's 1982 tour to less than 30 percent currently.

The most popular manufacturing stocks have been those that exploit the U.S. economic recovery and demand for sophisticated electronics used in computer peripherals, microcomputers and complex business telephone systems. An exceptioo was Burwill Trading, a metals house, which was more than 20 times oversubscribed.

"When yoo have new issues in Hong Kong that are 10-20 times oversubscribed, the local guys are going to come in because they are speculators at heart," said Mr. Hoosenally. "Even thoogh the political situation is uncertain, the ecooomic fundamentals are improving."

Politics or no, the Hong Kong stock exchanges — the Far East exchange, the Hong Kong stock exchange, the Kam Ngan exchange and the Kowloon exchange — are expected to merge under a 1980 plan and to begin trading in 1985 at the newly constructed "exchange square" complex.

"When we merge, the exchanges will improve our overseas image, centralize the clearing system, devise certain methods to protect the public better and also aim at increasing brokerage rates," said Ronald Li, the chairman of the Far East Stock Exchange, Hong Kong's largest.

Membership legislation will also be reviewed, and, according to Mr. Li, banks probably will be allowed memberships through corporate joint ventures.

With 14 years to go before the British lease on the New Territories runs out, the act of building a new exchange appears to be an act of faith in Beijing's word that Hong Kong's economic and financial institutions are to remain the same for 50 years.

— DINAH LEE

Controversy on Proposed Banking Rules

By Jo McBride

HONG KONG — With a real-estate market in collapse, a manufacturing sector in recession and a political future in doubt, appraising the lending assets of Hong Kong's financial institutions is difficult.

Less so, but still debatable, is the valuation of their offshore loans to developing country borrowers in the Asia-Pacific region — especially given fears generated by defaults in Latin America and Eastern Europe.

And while assets and liabilities must match, the clue to judging balance-sheet quality is in the provisions made by financial institutions to take account of loans they suspect may one day turn sour.

Today, the meeting of minds that each of Hong Kong's 131 licensed banks, 29 licensed and 221 registered deposit-taking companies must reach with their external auditors on the extent of such provisions, appears to be taking a little longer.

Also involved is a controversial clause in a measure that Hong Kong's Legislative Council will likely approve this month.

The clause requires that an outside auditor undertaking an annual inspection should report to the government "any matter, which, in his opinion, adversely affects the financial standing of a [deposit-taking] company to a material extent."

A banker, who asked not to be identified, said, "What this amendment does is to enshrine in law the not very nice principle of squealing on clients, and in a way that leaves a whole lot of leg room to the squealer."

The failure of a handful of deposit-taking companies at the turn of this year has stiffened the government's resolve to tighten its control over their activities.

The two major shareholders of one failed deposit-taking company, Dollar Credit and Financing, were also shareholders and executives at the Hang Lung Bank, which the government took over Sept. 27, when the institution could not meet its liabilities to its clearing banks.

Financial Secretary John Bremridge, had secretly kept the Hang Lung acquisition bill ready for some months so that it could be approved at a moment's notice by the Legislative Council.

New regulations covering the operations of all banks have been making their way through the council chamber for some time. But they do not include the clause imposing additional reporting responsibilities on auditors.

Hoog Koog's deposit-taking companies range in size and stature from very large to very small. At the top are institutions such as Chase Asia (owned by Chase Manhattan), BOT International (owned by the Bank of Tokyo). BA Asia (a Bank of America subsidiary), LBI Finance (which belongs to Lloyds Bank International) and many more wholly-owned subsidiaries of leading U.S., European and Japanese banks.

Together, such institutions last year packaged about $24 billion in syndicated credit instruments on behalf of borrowers in the Asia-Pacific region, for which Hong Kong is the lending hub.

Some executives of deposit-taking companies express negative sentiments about the auditor's responsibility clause. But Robert Gaff, chairman of the auditing standards subcommittee of the Hong Kong Society of Accountants, said the new legislation was insufficiently positive to allow auditors to discharge both their traditional duties to shareholders, and "the responsibility which we do feel" to the community at large.

The subcommittee believes the manner and timing of the newly required report look vague. Instead, it recommended a system under which auditors would undertake limited quarterly reviews of deposit-taking companies' clients.

Any problems uncovered by these examinations could then be raised with the clients while the worries were current, rather than after the close of the financial year when the audit is done. If necessary any difficulties could then be brought by the auditor and his clients to the attention of the commissioner for deposit-taking companies, Colin Martin.

What irritates critics is the commissioner's known preference for not accepting bank and deposit-taking companies' annual accounts with qualifications from their auditors. The critics believe that qualifications could focus the commissioner's attention on possible weak spots in the balance sheet.

As a result of the commissioner's view, auditors who are unable to agree with clients on such matters as the extent of provisions to be made against risk assets going bad and wish to qualify their opinion of the accounts, can find themselves fired by the client who then appoints a more compliant accounting firm.

For his part, Mr. Martin acknowledges that he "would much prefer, if humanly possibly," that banks' and deposit-taking companies' annual statements be free of qualifications, because these accounts are open to public scrutiny and such caveats can undermine depositor confidence.

He points out, too, that his door has been open to auditors and clients of financial institutions who are unable to resolve their differences. These problems aside, the performance reflected in the 1982 accounts of Hong Kong's 30-odd locally incorporated banks is as mixed as the commercial environment in which they operated.

The Hongkong and Shanghai Banking Corporation, which with its subsidiaries is widely thought to have about 60 percent of all local currency deposits, had a consolidated net profit increase of 11.38 percent, low by its standards, to 2.357 billion Hong Kong dollars, on an asset increase of a little more than 20 percent, amounting to 379.186 billion Hong Kong dollars.

At the other end of the scale, the Chiyu Banking Corp., one of the 13 Beijing-controlled banks in the territory, which as a group are popularly assessed at having 30 percent of local currency deposits, saw its profit decline by 40 percent, to 14.6 million Hong Kong dollars, despite an asset increase of 60 percent, or 717 million Hong Kong dollars.

Both institutions increased their capital during the year.

No earnings figures are available for the branches of the more than 90 foreign banks doing business out of the territory. Like deposit-taking companies they are often active in lending offshore to borrowers in the Asia-Pacific region, which — with Latin America and Eastern Europe now unpopular — has in the last 18 months become one of the few relatively bright spots in international lending.

Increased competition has led to a shrinking of the interest banks can earn on loans, falling to as little as .375 percent over the cost of their funds, which are typically borrowed in the London-based Eurodollar market.

By the middle of this year entities from Australia, Thailand, Malaysia and South Korea had all been able to obtain loans at this rate — though this has changed somewhat since then — putting them on a par with many Western European borrowers.

HONG KONG

Young Designers Bid for a Place in World Fashion

By Winsome Lane

HONG KONG — Vigorous attempts by Hong Kong, once a synonym for cheap, shoddy clothes, to move its image up in the fashion world have been aided by its own young creative talent.

Hong Kong labor, which once drew manufacturers because of its availability and low cost, is no longer cheap, but the expertise in fine tailoring and in the ancient Chinese crafts of hand-embroidery and beading probably can be found nowhere else in the world in such abundance.

There is the enormous capacity for hard work, often alien to Western industry, that makes the Hong Kong garment factory still an economical proposition for the overseas designer.

Top designers from the fashion capitals of the world are coming to Hong Kong to have their designs made up, and Hong Kong itself has bred a school of young designers who are selling and flourishing worldwide.

These designers, all but one Chinese and all under 35, have been trained in Hong Kong. Their creativity and inspiration, however, are of Chinese origin.

Their use of the *cheongsam*, the mandarin jacket, and flowing shapes reminiscent of imperial robes and Cantonese opera, and particularly the use of embroidery and beading, is wholly oriental.

'These designers, all but one Chinese and all under 35, have been trained in Hong Kong. Their creativity and inspiration, however, are of Chinese origin.'

Their designs parallel world trends, interpreted with a Chinese voice. The beading and embroidery is currently fashionable around the world, and during a showing of Hong Kong fashions in Paris this year, the young designers featured in *La Mode Chinoise* at half the price of the embroidered Paris haute couture creations.

The craftsmen in Europe still doing the fine and complicated work have become almost prohibitively expensive. In Hong Kong, the Chinese refugees earn their living with crafts learned from grandmothers and great-grandmothers.

The arts of beading and embroidery embellished the gowns of the emperors' concubines, as well as the costumes of the venerated actors in Cantonese and Peking opera.

When Hong Kong first decided to develop style and quality, the Hong Kong Trade Development Council established its own ready-to-wear festival, attracting buyers from all over the world. It ended in 1979, when the Excelsior Hotel closed its convention center, which was the only suitable place for the show.

In 1980, the trade council for the first time had its own showing at the Paris ready-to-wear collections. Commercially it was a great success and orders flowed in.

This year there was another first, when the trade council showed clothes under the labels of individual designers and staged its own gala during the top designers' section of the collections.

It was also a calculated attempt to beat the quota restrictions that Europe imposes on Hong Kong. Quotas specify numbers of garments. If each garment is upgraded, to enter the more expensive markets, total income to Hong Kong can be doubled or trebled without any increase in quota.

Twelve young Hong Kong designers showed their clothes under their own names — designs in leather and suede, silk and fur — and aimed at the top of the market.

Len Dunning, executive director of the trade council, said afterward, "We are here to make the name of the young Hong Kong designers known to the world.

Though a small number of orders were received, he said, "We have done what we tried to do and put them on the map; the rest will follow."

Some of the designers were already known to the world. Jewelry creator Kai Yin-Lo, who was one of the first to design the now fashionable heavy jewelery entirely in natural, semi-precious materials, already was selling to New York stores and had her own boutique in Bloomingdales.

Ragence Lam, Hannah Pang and Judy Mann were also selling worldwide, and Eddie Lau, creator of lavish evening dresses with 14-yard (13-meter) skirts that are his trademark, was doing a brisk business in Canada and Europe.

Also showing in the Hong Kong Paris gala was a U.S. designer, Diane Freis, who lives in Hong Kong. She was described at the show by a top British buyer as "the greatest fashion hit of the decade."

She sells a loosely fitting, flowing dress in brilliant, clashing color combinations and diaphanous synthetic material that can be crushed into a ball in a suitcase and emerge creaseless.

The dress, available in a variety of colors and prints, comes in one size for one price, $75. British and U.S. buyers say supplies cannot keep up with the demand. The designer, who has lived in Hong Kong for more than eight years, says she gets her inspiration from the Far Eastern way of life and the high pressure world of Hong Kong.

Hong Kong manufactures a vast range of knitwear. It has proved so popular that in 1981 Hong Kong became the world's second largest exporter of knitwear. First place is held by Italy.

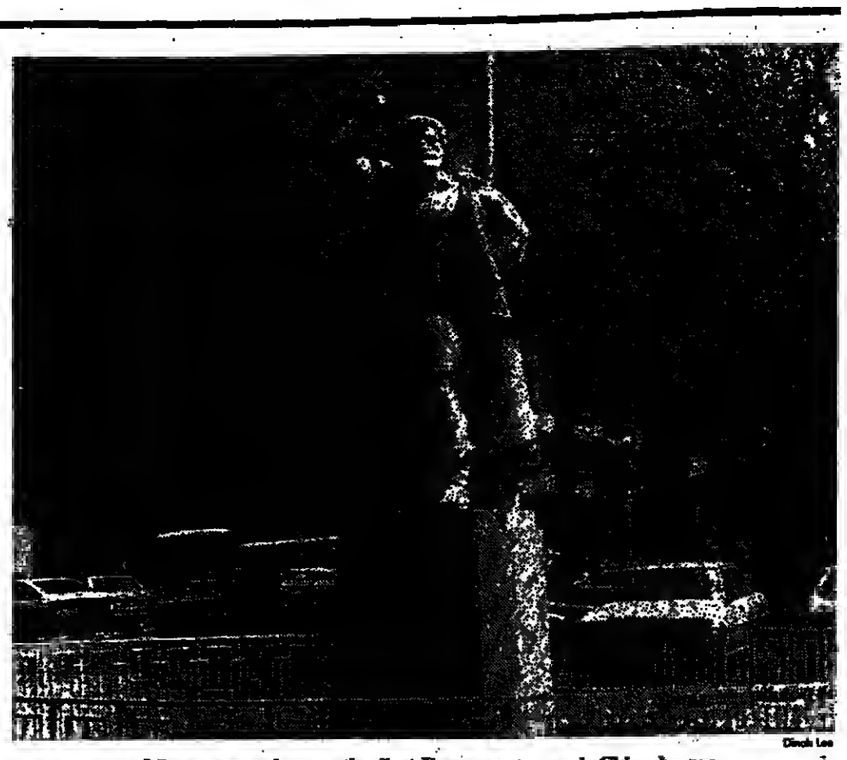
To push Hong Kong to first place, the trade council and the International Wool Secretariat are organizing a Hong Kong knitwear festival in October, the first ready-to-wear festival to be held in Hong Kong since 1979.

Japan, which supplies most of the yarns used in the knitwear, but is one of the smallest buyers, is the main target of the festival.

Seminars and workshops have been held since the beginning of the year in which Hong Kong designers, spinners and knitters are advised by exporters on the requirements of the Japanese market. More than 200 Japanese buyers are expected, as well as many from the United States and Europe.

In January another major international promotion of Hong Kong fashion will be held in New York, when the most talented of the young designers will show their clothes for spring and summer in a show organized in conjunction with the National Retail Merchants Association of America.

The fashion show will be held with an exhibition of other Hong Kong products in the Sheraton Center. Hong Kong designers, who last showed in the United States in 1976, will offer the critical American public a spectacle called "The Return of the Five-Toed Fashion Dragon."



Dinah Lee

A Macao statue honors the first European to reach China by sea.

Macao: The Other Enclave

(Continued From Page 7)

water, telecommunications and transportation systems. The gambling syndicate, the Sociedade de Turismo e Diversoes de Macao, is run by a Hong Kong businessman, Stanley Ho. It has a casino turnover of about $150 million annually. Ten percent goes to the government as tax, and another 10 percent goes to a development fund. Gambling dollars are used for specific road and housing projects as well as to build up a stronger foreign-exchange reserve fund.

The new Portuguese administration, under the guidance of João Antônio da Costa Pinto, secretary for economic coordination, was the first to draw up banking legislation, leading to the licenses for the international banks. In exchange, the banks have committed themselves to help develop Macao.

The new banks are the European Asian Bank, the Chartered Bank, Citibank, Banque Nationale de Paris, Indosuez and Bank of Credit and Commerce International. Banco do Brasil has arrived, three Portugese banks are to follow and the Hongkong and Shanghai Bank is stepping up activities in Macao.

Until recently the bank performing central banking functions was the Banco Nacional Ultramarino. Still the government's official banker, its quasi-supervisory duties have been given to a new structure, the Instituto Emissor de Macau. The IEM has introduced more regulatory requirements for the banks and hopes that with contributions of ideas and skills from the new banks, the IEM can create a financial center in Macao.

The idea that the new banks, already fiercely competing for very limited existing business, will contribute significantly to building their own market has been received with mixed reviews.

Some of the banks said that asking them to set up a stock exchange or a foreign exchange market in Macao would be a challenge. Some also say that the banking legislation is too vague. However, Mike Scott, manager of the local Hongkong and Shanghai Banking Corp. branch said, "The government has not been unreasonably cautious. They can learn from other peoples' mistakes. The banks are expected to make a contribution."

All of Macao's development projects would help reduce its dependence on Hong Kong, Macao officials say. But, Mr. Costa Pinto said, he acknowledges Macao's economy will always be linked to Hong Kong.

Part of Macao's survival, he said, will be complementing the Hong Kong economy. "We felt that the traditional model for development — textiles, transistors, and toys — was at an end," said Mr. Costa Pinto. He is directing the Macao economy away from its textile base (traditionally 80 percent of the territory's exports) and toward electronics, food and beverage processing, tourism and financial services.

Nevertheless, amid Macao's ancient, untended buildings, its crowded unkempt streets, some people voice skepticism about the speed of Macao's revitalization.

— DINAH LEE

Tourism: Diversifying the Attractions

By E.J. Dunfee

HONG KONG — Hong Kong has few natural tourism resources, but it has tried to create its own.

The Hong Kong Tourist Association, considered Asia's best national tourist office and recognized within the industry as pragmatic and energetic, has tried to diversify the colony's marketable attractions.

Hong Kong had long been thought of as a financial capital and a place for bargain shopping. In the absence of efforts by private industry, government tourism officials have attempted to widen the perspective by organizing tours of the virtually undeveloped New Territories. Despite aggressive marketing of the tours of the countryside, called "the land between" the financial colony and China, they have not attracted as many tourists as hoped.

However, tourism officials believe the tours represent an alternative to traditional activities.

Although the mid- and late-1970s are considered the best years for tourism in Hong Kong, the colony continues to attract a growing number of visitors. In 1982, 2.6 million visitors arrived in the colony, a 2.9-percent increase over the previous year.

Tourism receipts last year amounted to 8.77 billion Hong Kong dollars, a 7.7-percent increase from 1981. This year, between January and June, receipts were up 25 percent while the number of people arriving increased 5 percent.

A number of external factors are influencing the direction of tourism development for Hong Kong. Notably, there is the accelerating emergence of China itself as a major tourist destination. The colony, as a prime gateway cannot help but benefit, although statistics are not available.

The continuing decline of the Hong Kong dollar also is expected to help tourism. The number of travelers from Japan and the United States, Hong Kong's two biggest sources of visitors, increased significantly in the first six months of 1983. The strength of those countries' currencies against the Hong Kong dollar is widely considered to be the main reason.

The oversupply of hotel rooms common now across Asia is crippling in cities such as Manila and Bangkok and disturbing in Singapore. But in Hong Kong, it is tolerable, officials say.

As long ago as 1957, the government declared it wanted Hong Kong to be known as a resort-style destination. But in creating a financial center out of what was essentially a refugee haven, that goal was not accomplished. However, hotels are being built on at least two of the colony's more than 250 outlying islands. A major property is planned for the city of Shatin, in the New Territories.

Display for wealthy tourists: A jade incense burner priced at U.S.$30,000.

Barometer of U.K.-Chinese Talks

(Continued From Page 7)

local banks to aid the Hong Kong dollar, foreign exchange dealers saw few signs of government intervention.

"Half the problem with the exchange rate is lack of political confidence," said Sir John. "But to be fair the U.S. dollar has been unnaturally high for many months. All we can do is control abrupt moves, and we can't stop people taking a position against the local currency."

The general climate was not assisted by the unsolicited comments of a senior Chinese official visiting from Peking the week of the dollar's fall in September. To the effect that Hong Kong's government was responsible for maintaining the strength of the local currency, and that "whoever issues bank notes should be reponsible for them."

In what might be construed as a retort to the Chinese economist, Sir John said in a speech in mid-September, "The depreciation of the Hong Kong dollar is. . .not principally due to economic factors. It is not possible for the government to fix the exchange rate of the Hong Kong dollar to any particular level."

A recent increase in interest rates of one and a half percentage points did not seem to significantly help the dollar, but sources said that some members of the association of banks had proposed raising rates by as much as two and a half points.

Too sharp an increase in rates would risk damaging the embryonic recovery of the manufacturing sector trying to make the most of renewed overseas demand. Already the weakening dollar has dampened the purchasing of new equipment and capacity, which is not expected to grow at all this year. In the first half of 1983, many of the major imported capital goods declined in volume terms, the most significant being textile, machinery and transport equipment. While the prices of domestic exports and re-exports rose on average by 5 percent compared with the first half of 1982, prices of imports rose by seven.

Fortunately, any recent slowdown in the U.S. recovery has not yet hit local shores. Shipments of Hong Kong-made goods to the U.S. rose to 21 billion Hong Kong dollars during the first seven months of this year, or 30 percent more than in 1982. In value terms that is higher than exports to all the nine other major markets of the colony. At the same time exports to China and Canada rose significantly as well. The increases averaged out for all market to 14 percent, which even with an inflation rate of about 9 percent reflected an unmistakable revival of the trade economy.

This has led to a prediction by the financial secretary that Hong Kong's growth for the year will reach 5.5 percent to 6 percent compared with his February estimate of 4 percent. He also said in an interview that unemployment had dropped to nearly 3.9 percent from May to June in Hong Kong where 3 percent is considered full employment.

"I think we shall see it staying that way for some time to come. The electronics and garments industries are already saying they are short of labor," he said.

In the short term, therefore, Hong Kong's traditional resilience and entrepreneurial energy can carry the territory through its tortuous wait for a resolution of the Chinese-British talks. "The going is going to be rough, and in our daily work we are going to have to face up to that," a senior Hong Kong government official recently commented. Most officials and business executives — British and Chinese alike — agree that the news from Beijing is crucial to an otherwise optimistic outlook.

Clearly Beijing resents any implication that its actions are responsible for the concerns.

Mr. MacGregor, who has a vantage point from which he sees investment flow in both directions, said: "I know many cases of companies that are looking to sell out. They won't say they've had enough of it, they just say they'd like to have a joint venture with a foreign outfit to put more capital into the production systems and so forth. But the real concern, of course, is that they want some of the fixed assets out and their liquid assets in U.S. dollars."

Of course, there is no visible flood, and many international firms involved in banking, international law and certain kinds of communications are in a different position. "We'd be here, just as we're in Peking, no matter who was in charge," said an expatriate lawyer. "Geographically it's a perfect regional center, and our kind of business isn't so dependent on local sentiment."

For their part, the Chinese sometimes appear not to weigh commercial concerns as heavily as they should. An official of the Chinese Politburo, Xu Zhongxun, said last May: "No matter what, Hong Kong will continue to prosper. Both the money and the people will come back. If people have no confidence, they can go. They can come back later."

— DINAH LEE

CONTRIBUTORS

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Herald Tribune
BUSINESS/FINANCE
THURSDAY, OCTOBER 6, 1983 **

WALL STREET WATCH

By EDWARD ROHRBACH

Some Analysts Guess Stock Market May Just Move Sideways for a While

From another "October Massacre" to a sharp new rise setting records, current stock market predictions, as usual, are accommodating all comers.

With these extremes presenting investors with a choice between getting out or missing out, it's comforting to hear temperate words from G. Cooperman, chairman of the investment policy committee at Goldman Sachs:

"From current levels, whatever correction lies ahead is likely to be accomplished more through time than price."

He predicts that during the next month or two Wall Street will essentially move sideways, punctuated at worst by "shallow, single-digit," closing-high-to-closing-low corrections in the Dow Jones industrial average that are short-lived. He sees an interval when the aggregate market "does nothing" and allows the economic fundamentals to catch up.

Market's 'relative performance may center on not making mistakes rather than outsmarting the pack.'

"A double-digit-percentage price correction, were it to occur, would come from higher levels," he said.

Mr. Cooperman thinks that the corrections will not be "deep enough nor long enough" to justify raising cash reserves.

"A more appropriate tactic to protect assets in a time correction is swapping — moving out of sectors that appear extended on a price basis and into stocks that have already cycled down 10 to 15 percent in price," he said. "In effect, we are buying relative weakness, not strength, a key to success in a rotational market."

Stocks he mentioned in this category are Goodyear, Whirlpool, Alcan, American Cyanamid, Dayton-Hudson and Lockheed. Stocks that he said Goldman Sachs favors even though they have not fallen markedly are Burlington Northern, Ethyl, Student Loan Marketing Association (Sallie Mae) and Teledyne.

Fred Fraenkel, chief investment strategist at Prudential-Bache, also picks up this theme: "Relative performance (among investors) may center on not making mistakes rather than outsmarting the pack. Knowing when not to swing for the home run will be quite important."

Greg A. Smith, research director at Prudential-Bache, also sees Wall Street cooling its heels. He discounts the likelihood of a major rise in stocks and describes the company's stand as neutral. "We see 10 percent or less upside and 10 percent downside in the market."

He says that the third quarter was "as bad as the first half of 1982" for investors, with stocks generally much weaker than the averages suggest.

"While the first half of 1982 went to the high-growth and high-hope cyclicals, we suspect investors will acquire an appetite for less aggressive investments," he said. "The days of expecting doubles, triples and quads in the stock market are over for a while; we will have to learn to find 15-to-20-percent returns attractive again."

Return of 'Total Return'

The investment concept of "total return" will regain popularity, he predicts, with some of the large-capitalization growth stocks as major beneficiaries.

Robert Farrell, chief market analyst at Merrill Lynch, who has long favored these issues, believes that the "bull market should still have plenty of life in it," despite the third quarter showing.

In the last 20 years, he notes, the average first correction in a bull market lasted five to six months and resulted in a market-value loss of 10-12 percent. He figures that stocks may resume a broad upswing in October or November.

"With the DJIA down 7-8 percent and the more speculative NASDAQ over-the-counter industrials off 15 percent, the correction has already averaged out to the norm," he said. "We doubt the DJIA will exceed its third-quarter downside limit by much if at all because of the shift to quality. Speculative excesses may, however, require more correction."

Jack Solomon, chief technical analyst at Thomson McKinnon, shares this view. "While the blue-chip average may pull back moderately over the next few weeks, the majority of the list is more vulnerable. We suggest a conservative strategy that emphasizes a reduction and upgrading of long commitments."

Least vulnerable groups, he said, are casinos, aluminums, steels, chemicals, metals, autos, soaps, food chains, leisure, machinery/construction, offshore drillers, fertilizers and textile/apparel.

Also focusing on Wall Street's third-quarter performance is Purcell Graham's William LeFevre. Of seven market averages charted, he observes that only two, the Dow Jones industrials and the Dow Jones utilities, scored a plus for the three months.

"This suggests that interest rates are headed lower (utilities) and that business-cycle stocks (industrials) are in demand," he said.

Drexel Burnham thinks that the major crises are past for International Harvester and it has put the stock on its "buy-2" list. It compares the company with Chrysler and estimates that from a $13.85 loss this year it will edge into the black next and earn $5 a share in 1985.

A new recommendation of Morgan Olmstead Kennedy & Gardner in Los Angeles is Standard Brands Paint Co. Dean Witter favors Brunswick.

International Herald Tribune

CURRENCY RATES

Interbank exchange rates for Oct. 5, excluding bank service charges

	$	$	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	D.K.
Amsterdam	2.9115	4.325	172.30 *	36.69 *	0.1841	—	5.503 *	138.80 *	30.96 *
Brussels(a)	52.98	78.65	20.375	6.669	3.3605 *	18.179	—	25.227	5.631
Frankfurt	2.5972	3.8609	—	32.73 *	1.45 x	89.18 *	4.907 *	122.68 *	27.67 *
London (b)	1.4834	—	1.8595	11.785	2.2268	4.3276	78.645	3.1193	13.9544
Milan	1,574.80	2,341.90	606.28	198.59	—	541.13	29.756	759.24	167.61
New York	—	1.493	0.3872	0.1264	0.064 *	0.2455	0.019	0.1287	0.1064
Paris	7.9335	11.801	305.37 *	—	5.0395 x	272.50 *	14.992 *	378.00 *	84.46 *
Zurich	2.3015	3.1214	80.805 *	26.475 *	0.7335	72.14 *	3.9688 *	—	22.37 *
1 ECU	0.866	0.5829	2.2511	6.877	1.364.53	2.6243	45.0782	1.6189	0.1465
1 SDR	1.94231	0.714686	2.75829	8.42784	1.672.87	3.0929	54.2254	2.2246	9.9847

Dollar Values

$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$
0.8976	Australian $	1.1138	0.0154	Israeli shekel	64.945	0.4685	Singapore $	2.1345
0.0547	Austrian schilling	18.295	0.0043	Japanese yen	233.15	0.0851	S. African rand	1.1752
0.0785	Belgian fin. franc	5.08	2.4471	Kuwaiti dinar	0.2951	0.0812	S. Korean won	788.60
0.8121	Canadian $	1.2313	0.0265	Malay. ringgit	2.3445	0.0066	Span. pesete	151.82
0.1864	Danish krone	5.3645	0.127	Norw. krone	7.2815	0.1285	Swed. krona	7.7815
0.1777	Finnish mark	5.6275	0.07	Phil. peso	14.2857	0.0549	Taiwan $	18.18
0.0108	Greek drachma	93.25	Chel.	Port. escudo	—	0.0409	Thai baht	24.45
0.1155	Hong Kong $	8.655	0.2872	Saudi riyal	3.482	0.2722	U.A.E. dirham	3.673
1.315	Irish $	0.7605						

$ Sterling: 1.2445 Irish £

(a) Commercial franc (b) Amounts needed to buy one pound (*) Units of 100 (x) Units of 1,000
N.Q.: not quoted; N.A.: not available.

INTEREST RATES

Eurocurrency Deposits

Oct. 5

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1M.	9⅛ - 9⅛	5⅝ - 5¾	3½ - 3⅝	9 ⅛ - 9 ⅛	13⅛ - 13¾	9 - 9¼	8⅝ - 8⅞
2M.	9 ⅛ - 9 ⅛	5⅝ - 5¾	3⅝ - 3¾	9 ⅛ - 9 ⅛	13⅝ - 13⅞	9⅛ - 9⅛	8¾ - 9
3M.	9½ - 9⅜	5¾ - 5⅞	3⅝ - 4	9⅝ - 9½	14¼ - 14½	9¼ - 9½	8⅞ - 9⅛
6M.	9⅝ - 9¾	5⅝ - 6	4 ⅛ - 4 ⅛	9⅝ - 9⅝	15⅛ - 15⅜	9⅝ - 10	9 - 9¼
1Y.	9 ⅝ - 10 ⅛	6 ⅛ - 6 ⅜	4 ⅛ - 4 ⅜	9⅝ - 9¾	15⅞ - 16⅛	10 - 10¼	9⅝ - 9⅞

Key Money Rates

United States	Close	Prev.
Discount Rate	8½	8½
Federal Funds	9⅛	9¼
Prime Rate	11	11
Broker Loan Rate	10	10
Comm. Paper, 30-179 days	9	9
3-month Treasury Bills	8.58	8.59
6-month Treasury Bills	8.72	8.80
CD's 30-59 days	8.625	8.60
CD's 60-89 days	8.80	8.95

West Germany	Close	Prev.
Lombard Rate	5.50	5.50
Overnight Rate	5.40	5.40
One Month Interbank	5.85	5.85
3-month Interbank	6.20	6.25
6-month Interbank	6.25	6.30

Japan	Close	Prev.
Discount Rate	5½	5½
Call Money	6¼	6¼
60-day Interbank	6 ⅛	6 ⅛

Britain	Close	Prev.
Bank Base Rate	9	9
Call Money	9	9¼
91-day Treasury Bill	8 57/64	8 29/32
3-month Interbank	9 ⅛	9½

France	Close	Prev.
Intervention Rate	12¼	12¼
Call Money	12⅝	12⅝
One-month Interbank	12½	12 ⅞
3-month Interbank	12 ⅛	12½
6-month Interbank	12⅛	12⅛

Sources: Commerzbank, Bank of Tokyo, Lloyds Bank.

GOLD PRICES

	A.M.	P.M.	Ch'ge
Hong Kong	388.50	387.55	— 0.50
Luxembourg	388.25	—	— 4.25
Paris (12.5 kilo)	392.67	392.44	— 4.11
Zurich	388.625	388.875	— 5.125
London	388.75	389.50	— 4.00
New York	389.50	—	— 4.00

Official fixings for London, Paris and Luxembourg, opening and closing prices for Hong Kong and Zurich, N.Y. Handy & Harman. U.S. dollars per ounce.

Outlook for U.S. Steel Industry Brightens

2 Troubled Sectors Are Expected To Make Gains by Early Next Year

By Steven Greenhouse

New York Times Service

NEW YORK — With the proposed merger of Republic Steel and LTV Corp., heavy layoffs at U.S. Steel and third-quarter losses predicted for nearly all the major producers, the American steel industry has been even more turbulent than usual in the last few weeks.

But there is apparently some good news around the corner. Analysts predict that the industry's limping sectors — structural elements and steel plate — will improve early next year as the anticipated upswing in capital spending materializes. They say that this should help revive U.S. Steel and Bethlehem Steel Corp., now the industry leaders, and should improve the prospects of LTV Steel, as the merged company will be called if shareholders and the U.S. government approve the agreement.

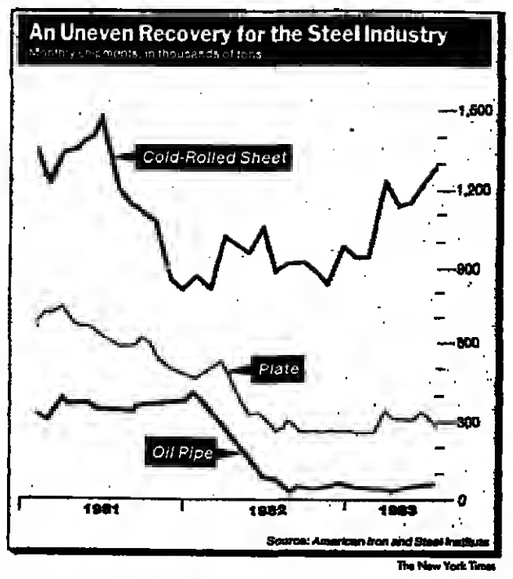
New orders for capital goods such as machine tools and increased construction of highways, bridges and office buildings should raise both demand and prices for the industry's heavier products. Its lighter end, mainly sheet steel, has already recovered as auto output has rebounded.

"We've seen a split market this past year," said Bernard Lashinsky, chief economist at Inland Steel Co. "The sheet steel market has recovered in 1983 and will continue to grow, but we're expecting heavier products to show the largest percentage improvement in 1984."

This year, the production of sheet steel, which represents about 40 percent of steel output and is used in appliances as well as in automobiles, rebounded to about 80 percent of capacity as consumer goods production led the United States out of the recession.

At the same time, the manufacture of heavy products such as structural steel, used in building construction; plate steel, used in machine tools, and reinforced bar, used in highway construction, has hobbled along at less than 45 percent of capacity.

National Steel Corp., Inland and Republic, all of which devote half or more of their facilities to sheet, have benefited most from the upturn in that product. Sheet output in the first six months of this year was up 15 percent from the comparable period in 1982. At the same time, production of structural steel in the period fell 15 percent, and plate dropped 30 percent.



About half of LTV Steel's production would be sheet, with the rest divided among slower-moving products like oil drilling pipe and reinforced bar. And the company would nudge Bethlehem from No. 2 to No. 3.

Over all, domestic steel production ran at 55 percent of capacity in the first half of this year, and analysts predict it will total 68 million to 70 million tons of finished product by the end of the year. This would be an increase from 61.6 million tons last year, but down markedly from 100 million tons in 1979. Mr. Lashinsky expects domestic steel

(Continued on Page 13, Col. 4)

Bank of Montreal To Buy Harris For $546 Million

The Associated Press

CHICAGO — The Bank of Montreal, Canada's third-largest bank, agreed to acquire Harris Bankcorp Inc. of Chicago for about $546.6 million, the companies announced Thursday.

Harris Bankcorp is the parent of Harris Trust & Savings Bank, the third-largest bank in Chicago and the 33d-largest U.S. bank.

The agreement, approved by directors of both banks, provides that Harris stockholders receive $82 for each of their shares. Harris has about 6.66 million common shares outstanding.

In addition, trustees of Harris family trusts and individual members of the Harris family, representing more than 25 percent of Harris' common shares, have agreed to sell their shares to Bank of Montreal for $82 a share.

They also have agreed to vote their shares in favor of the proposal at a special stockholders' meeting, the companies said.

The agreement is subject to approval by Harris Bankcorp shareholders as well as regulatory agencies.

If the acquisition is completed, the Bank of Montreal would become the largest Canadian financial institution in the United States and would jump ahead of the Canadian Imperial Bank of Commerce to become Canada's second-largest bank in terms of assets after the Royal Bank of Canada.

The Bank of Montreal, with assets of $63.7 billion Canadian dollars as of July 31, has subsidiaries in New York and California.

Harris Bankcorp has assets of $7.6 billion. In addition to the downtown Chicago bank, the holding company owns two suburban banks and has plans to buy four others for $38.6 million.

■ Canadian Bank's Strategy

Earlier, Douglas Martin of the New York Times reported:

The Bank of Montreal's push into the United States is partly a function of rather low returns on its assets compared with other Canadian banks, and partly a reflection of its high involvement in the troubled Mexican and Brazilian economies.

Arthur P. Soter, chief bank analyst for Morgan Stanley & Co., an investment banking firm that acted as adviser to the Bank of Montreal, said that Harris is strategically situated for developing business with medium-sized companies. This so-called middle market is considered by many banks to be especially lucrative because medium-sized companies usually must pay considerably more for loans and other banking services than do larger concerns.

Like the Bank of Montreal, Harris had traditionally catered to large corporations, but in recent years, as competition for this business became especially keen and as profit margins narrowed, the Chicago bank changed its strategy and began to focus on middle-market companies. It also aggressively developed a credit card business, seeking to enroll consumers across the United States.

For the Bank of Montreal, acquiring Harris would be a major step in the Canadian bank's mounting drive into the American market, analysts said. Acquisition of the Chicago bank, however, might force Bank of Montreal to divest itself of its other bank holdings in the United States because American law, up to now, prohibits interstate banking.

Dow Jumps To Near Record

United Press International

NEW YORK — The New York Stock Exchange climbed sharply to near-record levels Wednesday in a late buying surge paced by IBM. The surge followed Treasury Secretary Donald T. Regan's prediction of a lower federal budget deficit in the near future.

The blue-chip rally also saw airline stocks rebound from last week's drubbing and Harris Bankcorp climb sharply on a merger agreement with Bank of Montreal.

The Dow Jones industrial average, which fluctuated much of the day after gaining 5.39 Tuesday, closed up 13.51 to 1,250.20, not far from its record high of 1,260.77 set Sept. 26.

The Dow Jones transportation average, which had jumped 7.29 Tuesday, rose 10.36 to 578.44, and the utilities average added 2.02 to 138.82, the highest level since 1969.

Advances topped declines 1,011-599 among the 1,982 issues traded.

Big Board volume climbed to 101.7 million shares from the 90.3 million traded Tuesday as institutions bought heavily in selected issues.

"Regan's statements that the administration won't seek a tax increase and his projection the budget deficit would fall to $100 billion in 1985 from about $200 billion apparently sparked the late buying," said Robert Stovall, Dean Witter Reynolds vice president.

He also said the fact that prices did not collapse on news of debt problems in Argentina and Brazil "showed the market has become more optimistic."

"This is the beginning of the fourth quarter and big investors are buying back some of the stocks they sold last week," said Kevin Keeney of Southwest Securities, Dallas.

"The market is rebounding from last week's selloff and we're not chasing it because there are too many uncertainties in the near term," said Harry Laubscher of Paine Webber. "But the positives outweigh negatives over the long term."

Investors were encouraged that federal funds rates dropped to 9⅛ percent after rising earlier in the week.

On the trading floor, blue-chip IBM was the most active NYSE-listed issue, up 1¼ to a record close of 131⅛. IBM is expected to introduce its Peanut home computer soon.

Among the other high-technology issues, General Electric rose 1 to 55⅝, Westinghouse Electric 1½ to 46⅝, Minnesota Mining & Manufacturing 2⅛ to 85½, RCA 2⅛ to 34, NCR 3 to 130, Motorola 3¾ to 144½ and Zenith Radio 1⅜ to 31⅜.

Kroger Co. was the second-most-active issue, off ⅜ to 37½ with a block of 960,000 shares at 37½. The company had no comment on the activity in its stock.

Blue-chip American Telephone & Telegraph was third on the list, up ½ to 65½.

Manila Devalues Currency by 21.4%

By Colin Campbell

New York Times Service

MANILA — The Philippine government devalued its currency 21.4 percent against the U.S. dollar Wednesday in response to financial pressures that have apparently been aggravated by political opposition to President Ferdinand E. Marcos.

The peso, which had been 11 to the dollar, was devalued to 14 to the dollar. The central bank said the move was necessary because of an $800-million balance-of-payments deficit in the third quarter, a strong U.S. dollar, "increased speculation against the peso and the need to prevent further erosion in the international reserve."

Several hours after the announcement, several thousand office workers in the financial district of Makati joined in a peaceful protest against the government, coupled with cheers for U.S. President Ronald Reagan for indefinitely postponing the visit to the Philippines that had been planned for next month.

The Marcos government has come under increasing attack since the assassination of the opposition leader Benigno S. Aquino Aug. 21 as he returned from three years of self-exile in the United States.

The devaluation announced Wednesday was the second since June 23, when the value of the peso was lowered 7.3 percent.

The government in recent years has had to concentrate on the twin problems of sluggish export earnings and rising payments on its $18-billion foreign debt. In recent weeks, moreover, the Marcos government has been confronted with the flight of local capital abroad and with the unwillingness of the International Monetary Fund to provide it with further access to hard currencies unless it tightens its belt.

The current political uncertainty here has also dissuaded some foreign banks from lending the Philippines more money. The minister of trade and industry, Roberto V. Ongpin, said in an interview this week that several medium-sized U.S. banks had been horrified by the sight on television of street fighting in Manila.

A statement issued by President Marcos Wednesday said the devaluation had been ordered after the International Monetary Fund had "asked for drastic reforms as a condition to granting standby credit."

"The IMF credit line, in turn, was considered essential in the rescheduling of outstanding Philippine loans with various international financial institutions," the statement added.

Cesar Virata, the Philippines' prime minister and finance minister, was quoted as saying in recent days in Washington, where he has been negotiating with the IMF, that his government was still able to pay its debt.

President Marcos has held a series of meetings since Sunday with the country's leading businessmen and bankers in an attempt to enlist their support in dealing with what has rapidly turned into a financial crisis as well as a political one.

He is said to have told the businessmen, many of whom have become sharply disenchanted with him since the death of Mr. Aquino, that they should put aside their political hostility in the interest of fending off both financial insolvency as well as the kind of political turmoil that could lead to gains for the violent left.

The businessmen have replied, according to various accounts of these private meetings, that Mr. Marcos must listen more seriously to their calls for an honest investigation of the Aquino killing.

Regan Predicts Approval of IMF Bill

The Associated Press

WASHINGTON — Treasury Secretary Donald T. Regan said Thursday he believes Congress will approve the $8.4-billion increase in the U.S. contribution to the International Monetary Fund, but predicted the vote "will be a squeaker."

Mr. Regan hinted that Democratic congressmen will be given "an explanation" — but not the apology they have sought — for a controversial letter attacking them after they supported the administration position on the bill. He said once that issue is settled and a compromise is reached on domestic housing, the IMF bill will be approved.

"It will be a squeaker, but I do think it will go through," he said in a breakfast speech to the U.S. Chamber of Commerce.

The Republican Congressional Campaign Committee sent letters to the home districts of 20 congressmen accusing them of "supporting Communism" after they opposed an IMF bill amendment prohibiting the United States from supporting IMF loans to "communist dictatorships."

The administration opposes measures that would politicize loans made by the IMF and had asked for defeat of the amendment.

Democrats, angered that the press releases were sent after they had sided with the administration on the issue, have said they will hold up action on the additional money for the international lending agency until they receive a written apology from President Ronald Reagan.

"I don't think the Reagan administration should apologize for acts outside of its control," Mr. Regan said. "Nonetheless, I think an explanation is owed."

Mr. Regan said the only other thing holding up the bill is a resolution on housing authorization.

He noted that the same banking and finance committee that deals with the IMF bill also handles housing — "and their priorities are domestic housing" needs, "then international lending."

The housing measure appropriates money for subsidized construction and emergency housing for the unemployed besides making numerous changes in housing laws.

The bill authorizes an increase of $8.4 billion in the American contribution to the IMF as part of a $42 billion in increased quotas from member nations. It has cleared both the House and Senate but in different versions which must be worked out in conference. The United States now contributes approximately $16 billion yearly to the IMF.

Wednesday's NYSE Closing

NYSE Most Actives

	Vol.	High	Low	Close	Chng
IBM	13903	131¼	129½	131	+1¼
Kroger	12344	38⅝	37⅛	29½	— ⅞
ATT	11977	65⅝	64⅞	65⅛	+ ⅛
DeltaAir	11064	37½	35¾	37½	+2⅝
RCA	10853	34	31⅝	34	+2¼
AMR Cp	10609	30¼	29	30	+1
FedNM	10243	27¾	26¼	27¾	+ ⅝
Chrysler	9713	31½	29¾	30⅞	- ⅜
MerLyS	8829	34¼	33⅝	34¼	+ ⅝
Digital	8809	105⅞	100¼	102	—3¼
Tandy	8796	39½	37½	39½	+1½
PacGE s	8522	16⅝	15⅝	16¼	+ ⅛
Exxon	8236	36⅝	34⅝	36⅝	+ ¼
CenSoW	8231	20⅝	19⅞	20⅝	+ ¼
PSvCol	8025	18⅝	17⅝	18½	+ ⅛

Dow Jones Averages

	Open	High	Low	Close	Chng
Indus	1237.70	1254.88	1228.96	1250.20	+ 13.51
Trans	568.08	580.38	565.09	578.44	+ 10.36
Util	137.38	139.26	136.54	138.82	+ 2.82
Comp	492.96	500.34	489.84	499.28	+ 6.72

NYSE Diaries

	Close	Prev.
Advanced	1010	947
Declined	662	647
Unchanged	372	382
Total Issues	1984	1976
New Highs	95	61
New Lows	7	10
Volume up	69,254,370	
Volume down	27,425,490	

NYSE Index

	High	Low	Close	Ch'ge
Composite	97.85	96.07	97.03	+ 0.79
Industrials	112.83	111.70	112.53	+ 0.84
Transp.	95.54	93.93	95.54	+ 1.55
Utilities	49.49	49.05	49.49	+ 0.53
Finance	95.90	95.20	95.90	+ 0.79

Odd-Lot Trading in N.Y.

	Buy	Sales	*Short
Oct. 4	172,457	369,511	1,557
Oct. 3	161,169	357,457	973
Sept.30	156,303	307,500	1,090
Sept.29	158,872	327,898	1,335
Sept.28	158,525	348,379	844

*Included in the sales figures

Vol. at 4 p.m. 101,710,000
Prev. 4 p.m. Vol. 98,278,000
Prev Consolidated Close 105,936,930

Tables include the nationwide prices Up to the closing on Wall Street

AMEX Diaries

	Close	Prev.
Advanced	306	280
Declined	288	320
Unchanged	222	212
Total Issues	817	812
New Highs	11	10
New Lows	7	10
Volume up	3,487,420	
Volume down	2,292,840	

Standard & Poors Index

	High	Low	Close	Ch'ge
Industrials	189.81	185.79	188.90	+ 1.80
Transp.	31.64	30.38	30.92	+ 0.36
Utilities	69.20	68.47	69.46	+ 0.36
Finance	19.65	18.95	19.54	+ 0.34
Composite	168.54	165.00	167.74	+ 1.47

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	294.57	—0.34	299.36	191.98
Industrials	352.56	—0.87	357.71	218.27
Finance	279.47	—0.81	281.64	182.87
Insurance	243.30	—0.34	244.39	202.79
Utilities	280.25	—4.73	284.21	220.89
Banks	201.22	+0.21	201.48	138.82
Transp.	282.83	+1.84	277.58	171.73

AMEX Most Actives

	Vol.	High	Low.	Close	Chng
WangB s	5105	36⅛	35½	36	+1½
ImpOil	3732	81¼	81¼	81¼	
DomPf	2228	4	3⅞	3⅞	
AlcoCp	1852	20½	15⅝	16	—4¼
TexAir	1829	6⅝	5¾	6⅛	— ⅛
Rylnd s	1591	24½	23⅝	24½	+1
GHCd g	1541	14⅝	14⅛	14½	— ⅛
AmdhI s	1348	18½	18¼	18½	+ ⅛
TIE s	1186	38⅝	37½	38	+ ⅛
Asmr pf	1040	10⅝	10	10⅛	+ ⅛

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	72.15	+0.07
Utilities	70.75	+0.07
Industrials	72.55	+0.10

AMEX Stock Index

High	Low	Close	Ch'ge
229.67	228.40	229.30	—0.11

A

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close	Quot. Ch'ge
17¾	6⅝	AAR	.44	3.4	20	50	13⅛	13¼	13⅛	
52⅞	29½	ACF	1.40	3.4	65	504	50¼	50¼	50¼	+ ⅜
30	14½	AMF	.50	3.9		278	17¼	16⅝	17	
38⅛	13⅞	AMR Cp			45	10609	30½	29	30	+1
18½	14½	AMR pf	2.18	11.8		548	18¼	18⅛	18½	+ ⅛
39⅞	34⅞	AMR pf	2.12	6.2		236	34½	33⅞	34¼	+1
15¾	2½	APL			31	47	15¼	14¾	14¾	— ⅛
55	21¼	ARA	2.05	4.8	13	261	51⅝	51	51	— ⅛
79⅞	43⅝	ASA	3.00a	5.3		1042	34⅝	32½	34½	+1⅛
33¼	9⅝	AVX s	.32	1.2	66	153	28	26⅝	26⅝	— ½
51¼	34¼	AbtLab	1.80	2.8	19	827	50¼	49½	50	+ ½
30⅛	24	AccoW n	.50	2.1	19	129	24¼	23⅝	24⅛	— ⅛
1⅝	7⅛	AcmeE	.320	3.9	278	19	11⅛	11	11⅛	
22½	6	AdmDs	.04	.2	18	98	22⅛	22⅛	22⅛	
17⅞	14⅛	AdoEs	1.72e	10.1		65	17⅛	17⅛	17⅛	— ⅛
19¾	6⅝	AdmMl	.24	1.3	9	58	18	17⅝	18	+ ⅛
18⅝	8⅝	Advest s	.12	.8	5	157	14⅝	14½	14½	— ⅛
34⅝	10⅝	AMD			68	4365	31⅛	30¼	23⅛	+ ½
24⅛	12½	Aeritx s			18	18	18⅛	18	18⅛	— ⅛
46⅝	32⅞	AetnLf	2.64	7.1	7	1610	37⅝	36⅝	37⅛	— ⅛
40½	14⅞	Ahmns	.60	1.9	18	2724	32½	30	32¼	+2⅝
7⅝	2⅛	Aileen				183	5	4⅝	5	+ ⅝
51	26⅝	AirPrd	1.00	2.1	16	252	48½	48⅛	48⅝	+ ⅛
27¼	12⅞	AirbFt	.60	2.6	23	284	23½	22⅝	23⅛	+ ¼
23¼	8⅝	Airgas	.091		19	342	10	9⅝	9⅞	— ⅛
43	13⅝	Analog s			51	191	40⅝	40	40⅛	
34½	14⅛	Anchor	1.36	4.3	15	79	31¼	31½	31¼	+ ¼
33⅝	22⅝	AnClay	1.32	4.7	16	76	28⅝	28	28	— ½
18	11⅛	AndrGr	.19	1.5	14	58	12⅝	12⅝	12⅝	+ ⅛
35	15⅞	Anergic s	.48	1.9	16	85	25⅛	25⅛	25⅛	— ⅛
77	58½	Anheus	1.76	3.4	11	1833	65⅞	65½	65⅞	+1½
57¼	48	Anheu pf	3.50	7.1		14	51	50⅝	51	+ ⅝
29	14¼	Anixtr	.24	.9	34	855	26½	25½	25⅞	+ ⅛
18⅛	11	Anlin	.56	3.4	14	18	15⅝	15½	15⅝	— ⅛
18½	5½	Anthony	.44b	3.4	15	2	15⅝	15½	15½	— ½
16⅝	8¼	Apache	.20	2.3	11	391	12¼	12¼	12¼	— ⅛
5	4⅝	ApchP wt				478	4⅝	4⅝	4½	
23¼	18	ApchP unZ	.00e	8.9		141	22¼	33⅝	22½	+ ¼
35½	28¼	ApPw pf	4.18	12.9		36	32⅝	32½	32½	+ ½
31¼	27½	ApPw pf	3.80	12.7		12	30⅝	30	30	+ ½
36½	14	ApolMg	1.14t	3.4	20	111	33⅝	30¼	33⅝	— ⅛
26⅛	16½	ArchDn	.14b	.6	16	1738	22¼	21¼	22¼	+ ⅛
26½	21⅝	ArizPS	2.60	10.3	7	3685	25¼	24⅝	25¼	+ ¼
101½	89	ArIP pf	4.44e	4.5		202	99½	99½	99½	+ ⅝
31⅞	27¼	ArIP pf	3.58	12.2		31	29⅛	28⅝	29¼	+ ¼
25	6⅝	ArkBst				125	25¼	23⅝	25¼	+1⅞
29⅞	15⅛	Arkla	1.04	4.2	15	4468	26¼	22¼	24⅞	—1
2¼	⅛	ArlnRt				123	1⅛	1	1	
22⅝	14½	Armco	.40	2.0		1114	20¼	19⅞	20	— ⅛
31¼	22	Armc pf	2.10	7.2		2	29	29	29	
44⅝	28	ArmstR	.80	3.5	7	12	23½	22¼	23⅛	— ⅛
33⅝	17½	ArmWn	1.10	4.1	16	517	27	26⅛	27	
37⅛	27⅞	ArmW pf	3.75	11.5		20	32½	32½	32½	
31⅝	13⅛	ArrCe	.80	4.5	44	16	18¼	18⅛	18¼	— ⅛

B

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close	Quot. Ch'ge
27⅞	18⅝	BMC n	.40	2.1	12	71	19½	19	19½	
38⅞	17⅝	Baltrco	.40	1.6	11	22	24½	24⅛	24½	+ ¼
27	14	BkIntl	.92	4.5		2300	20¼	19⅞	20	
27¼	17⅝	Baldor	.32	1.2	23	21	23⅝	23⅝	23⅝	
10⅝	3	BaldwU			1	2700	3⅛	3⅛	3⅛	— ⅛
151	9½	BldU pf	52k			18	11¼	10⅝	11	— ⅛
35⅛	20	BallCp	1.14	3.3	11	33	35⅛	34⅞	35¼	+ ⅛
31⅝	19⅝	BallyMf	.20	.8	16	519	22⅝	22⅝	22¼	+ ⅛
4⅛	1	BallyPr			22	111	1⅞	1⅞	1⅞	
31¼	24⅝	BalHGE	3.00	9.3	8	608	32½	31⅞	32¼	+1¼
42	37½	Ball pfB	4.50	11.6		200z	41	39¼	41	+1¼
22½	28¼	BnOne n	.56	2.2	8	400	29⅝	28⅝	29⅝	+ ⅛
47½	19½	BankCal	1.20	2.4	13	124	49⅝	48½	49⅝	+ ⅛
7⅝	5½	BasTex	.20	3.0	13	163	6⅝	6½	6⅝	+ ⅛
59	38¼	Bandag	1.80	2.9	15	39	51½	50¼	50¼	—1
23⅞	14⅝	BangP	.80	4.1		3	19½	19½	19½	— ⅛
47⅝	26⅝	BkBos	2.12	4.5	9	432	28⅝	28	28⅝	— ⅛
64⅝	42⅝	BkNY	2.40		4	1145	60⅝	60⅝	60⅝	
31¼	19	BkNVa	1.52	5.2	6	34	29⅝	28⅞	29	
36¼	17⅞	BnkAm	1.52	7.5	7	4345	20¼	20	20¼	
60¼	48¼	BkAm pf	3.87e	7.5		100	51¼	51¼	51¼	
90	23½	BkAm pf	4.08e	4.5		10	85	85	85	
28⅞	16	BkAm pf	2.88	13.5		689	20⅞	20⅝	20⅝	
27⅞	18	BkARI s	1.92	7.1	10	162	33	26	27	+1½
49½	35	BankTr	2.25	4.3	5	790	44⅝	43⅝	43⅝	—1⅝
24⅝	19½	BkTr pf	2.20	10.9		12	22⅞	22⅞	22⅞	+ ⅛
41	33¼	BkTr pf	4.22	11.4		1	37	37	37	+ ⅛
12⅝	5⅞	Banner				68	12	11⅝	11⅝	
46⅝	25⅝	Bard s	.40	1.0	20	231	41⅝	41¼	41¼	— ⅛
46⅝	26⅝	BarrGe	.60	2.7		6	22⅝	22⅝	22⅝	+ ⅛
39⅝	23⅝	Barnet	1.20	3.1	9	394	39⅝	38¼	39⅝	+ ⅛
43⅝	29½	Barnt pf	2.37	5.4		7	43⅝	43½	43½	— ⅛
32⅞	16⅝	BaryWr	.48	1.6	23	188	30⅛	29½	30¼	+ ¼
14½	4⅛	BasRes	.16b	.8	6	95	12⅝	12¼	12⅝	
37	24⅝	Bausch	1.56	2.8	28	427	56⅝	54⅝	56⅝	+ ⅛
62⅝	42⅝	BaxTr	.56	1.0	20	1113	58½	58	58½	— ⅛
17	9¼	BayFin			6	25	16⅝	16¼	16¼	
24⅝	20⅝	BayStG	2.48	11.5	35	10	21⅝	21⅝	21⅝	
41	28½	Bearing	1.80	5.8	27		31⅝	31¼	31⅝	+ ⅛
30⅝	21½	BeatFd	1.60	5.3	10	367z	30¼	29⅝	30¼	+ ⅛
54½	39⅝	Beat pf	2.28	4.8		22	54	53½	54	+ ⅛
53½	39¼	BechD	1.15	2.7	27	1004	42⅝	41¼	42⅝	+1¼
12¼	4⅛	Beker				4673	9⅝	8⅝	9⅛	—1¼
19⅝	5⅝	BekInH	.40	2.0	16	21	19⅝	19⅝	19⅝	+ ⅛
28⅝	17⅝	BelHw s	.50	2.8	11	50	25⅝	24⅝	24⅝	— ⅛
545	450	BellHw pf	2.00	2.4			505	500	505	—7½
34⅛	15¼	BellCd g	2.08			363	23⅝	23⅝	23⅝	— ⅛
29⅝	15⅝	BellInd	.24	.9	24	34	25⅝	25⅝	25⅝	+ ⅛
21½	20⅝	Bemis	1.40	3.8	15	3	21	21	21	
84⅝	53⅝	Bndx pf	4.04	4.7		3	85⅝	85⅝	85⅝	— ⅛
34½	19⅝	BenfCo	2.00	6.1	11	471	33⅝	33	33	— ⅛
30½	29⅝	Benef pf	4.38	12.1		1	36½	36½	36½	+ ⅛
11⅝	5	BeneRB	.20e	3.3	8	650	6	5⅝	6	
7⅝	4¼	Berkey			19	1471	7⅛	6⅝	7⅛	+ ⅝
39⅝	31¼	BestPd	.32	.9	14	244	36⅝	35⅝	36⅝	+ ⅛
26⅝	14⅝	BethSt	.50	2.4		760	21⅝	20⅝	21	+ ⅛
54⅝	45	BethSt pf	5.00	9.7		90	51⅝	51⅝	51⅝	+ ⅛
29⅝	20⅝	BevHs s	.28	.8	25	237	36	35½	35⅝	— ⅛
18½	8½	BigThr	.72	3.1	14	2969	23⅝	23	23⅝	+ ⅛
43⅝	29⅝	Binney	1.20	3.4	11	7	37⅛	37	37⅛	
34	19⅝	BlackD	.52	2.1		4202	24½	23⅝	24⅝	+1⅛
32⅛	14⅝	BlkDP s	1.36	4.3	7	5	31⅝	31⅝	31⅝	+ ⅛
46½	18⅝	BlairJ s	.54	1.2	20	34	46⅝	44	46	+ ⅛
47	31⅝	BlckHR	2.08	4.4	14	63	48⅝	45	45⅝	
40	27⅝	BlueB	1.80	5.0	11	217	35⅝	35⅝	35⅝	+ ⅛
49⅝	35⅝	Boeing	1.40	3.4	13	2549	41⅝	40⅝	41⅝	+ ⅛
47⅝	28⅝	BoisCs	1.40	4.6	28	318	41⅝	40⅝	41⅝	+ ¼
58⅝	50⅝	BolsCr pf	5.00	9.2		46	54½	54	54½	— ⅛
61	36⅝	Borden	2.44	4.3	9	494	57⅛	56⅝	57¼	+ ⅝
55⅝	29½	BorgWa	1.68	2.5	13	209	46⅝	47½	46⅝	+ ⅛
26⅝	16⅝	Borman				44	17	16⅝	16⅝	— ⅛
28⅝	23⅝	BosEd	2.88	10.3		140	27⅝	27⅝	27⅝	+ ⅛
75	62⅝	BosEp	5.88	13.4		13z	71½	70	71½	+1⅛
19½	9	BosEp pr	1.17	12.9		17	9⅝	9⅝	9⅝	— ⅛
12⅝	10⅝	BosEp pr	1.44	12.3		19	12	11⅝	12	+ ⅛
37¼	26½	BrigStr	1.36a	4.8	13	2743	28½	28	28½	+ ½
37⅛	18	BrisMy s	1.20	3.4	16	3795	35½	43⅝	35⅝	+1⅛
37¼	18	BritPt	1.40e	4.5	10	190	33⅝	25⅝	25⅝	
14	6⅝	Brock	.10	1.4	42	152	7⅛	7	7⅛	+ ⅛
19½	14	Brockway	1.32	7.4	13	43	17⅝	17⅝	17⅝	+ ⅛
33	27	BkyUG	2.90	8.2	1	71	31⅝	31½	31⅝	+ ⅛
23⅝	19⅝	BkUg pf	2.47	11.8		3	21	21	21	
34	30	BkUg pf	3.95	12.3		3	33	33	33	
19⅝	9⅝	BwnSh	.20	1.2		6	15⅝	15⅝	15⅝	— ⅛
39⅝	21⅝	BwnGe s	1.10	3.6	10	229	31½	30	30⅝	— ½
47⅝	24⅝	BrwnFs s	.80	2.8	17	518	40	39⅝	40½	
48⅛	23	Brnswk	1.28	3.4		411	48⅝	47½	48⅝	+ ⅛
50	41	Brnsk pf	2.40	5.8		3	80	80	80	
38⅛	26⅝	BrstWs	.88	1.5	27	457	57⅝	57	57⅝	+ ⅛
17	13	BcyEr	.44	2.8		140	15⅝	15⅝	15⅝	+ ⅛
28½	9⅝	Bundy	.60	3.3	31	127	19	19	19	
18⅝	16⅝	BunkHl	2.16	13.4		6	17⅝	17⅝	17⅝	
43	22⅝	Burlind	1.52	3.9	18	706	39½	38⅝	39⅝	+ ⅛
101½	42½	BrlNth	1.80	1.8	13	2100	99	98	98⅝	+ ½
6⅝	5⅝	BrlNo pf	.55	9.0			6⅝	6⅝	6⅝	— ⅛
26⅝	16⅝	Burndy	.84	3.7	25	903	23	22⅝	23	+ ⅛
57⅝	34½	Burrgh	2.40	4.9	24	352z	52⅝	52⅝	52⅝	+ ⅛
24½	12⅝	BurlIn	.52	2.7	28	94	20	19⅝	19½	— ½
14⅛	7½	Butles				10	20	13	12⅝	12½ — ½

C

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close	Quot. Ch'ge
42⅝	29⅝	CBI In	1.40a	4.5	8	158	32⅛	30⅝	31	+1⅛
77⅝	46⅝	CBS	2.80	3.6	15	3261	79⅝	76	78½	+2½
53	34⅛	CBS pf	10.00	1.9		2	52	52	52	+ ⅝
11⅛	4	CCX				119	8⅝	8⅝	8⅝	
51½	37⅝	CIGNA	2.48	5.4	7	1464	45⅝	44	45⅝	+1⅛
30½	24½	CIG pf	2.75	9.4		30	29⅝	29⅝	29⅝	+ ⅛
13¼	8⅝	CLC				346	11⅝	11⅝	11⅝	— ⅛
22⅝	14⅝	CNA Fn			7	884	22½	22	22½	+ ½
28⅝	19	CNA pf	1.10	3.9		6	28	27½	28	+ ⅛
11	9½	CNAI	1.20a	11.7		27	10⅛	10⅛	10⅛	+ ⅛
44⅝	33⅝	CPC Int	2.20	5.4	9	1473	40⅝	39⅝	40⅝	+ ⅛
43	26⅝	CP Nat	2.44	6.2	9	26	39⅝	39⅛	39¼	— ⅛
77¼	42⅝	CSX	2.12	4.2	11	1795	74½	73⅛	74½	+ ⅛
25⅝	14⅝	CSX wt				48	25¼	25	25¼	
57⅝	23	CTS	1.00	3.3	30	1	44⅝	44⅝	44⅝	
22⅝	16¼	CJ Inc n			16	47	17⅝	17⅛	17⅛	— ⅛
30⅝	19	Cabot	.92	3.4	13	125	27⅝	27¼	27⅝	
18	12⅝	Cadenc			7	2	17⅛	17⅛	17⅛	
10¼	7⅛	Caesar				452	14	13⅝	13½	— ⅛
28⅝	13⅝	CalFm	.36r	1.2	25	323	31½	30	31½	+ ⅝
25⅛	14⅝	CamHl	.40	2.1	173	1981	19⅝	19	19	— ⅛
23½	14⅝	CRLk g	.48			778	22⅝	22	22⅝	+1¼
12⅛	9⅝	CmpRn				134	9⅝	9⅝	9½	+ ⅛
4½	2⅝	CmpR pf	.50			175	3	2⅝	2⅝	— ⅛
57	37	Campbs	2.20	4.0	11	92	55½	54⅝	55¼	+ ⅛
42	23⅝	CdPac g	1.40			109	39⅝	38⅝	39⅝	+ ⅛
20⅝	12½	CanPE g	.40			139	18⅝	18½	18⅝	+ ½
80	40	CanIR	.64	.8	86	8	81	81½	81	+1
157½	89⅝	CapCit	.36	.3	20	644	134	133	133½	+3½
38⅝	26⅝	CapHid	1.60	3.9	8	59	36⅝	35⅝	35⅝	— ⅛
113	98½	CapHd pf	8.36e	8.1		50	103⅝	103⅝	103⅝	+ ½
28⅝	7	Carlisg g	.40			49	18⅝	18⅝	18⅝	— ⅛
39⅝	23⅝	Carlisle	.36	2.4	16	31	25¼	24⅝	25¼	+ ⅛
53⅝	35⅝	Carnat	2.20	4.5	9	574	49⅝	48	49¼	— ⅛
23⅝	9½	CarpFs	.32	1.8	15	47	33	31⅝	31¼	— ⅛
22⅝	16⅝	CarPw	2.32	10.6	8	405z	22⅝	22⅛	22⅝	— ⅛
25½	23⅝	CarP pf	2.67	11.9		4	22½	22½	22½	— ⅛
49⅝	29⅝	CarTec	2.16	4.3	26	261	50⅝	49⅝	49⅝	+ ⅛
11⅝	7⅛	Carrol s			17	54	9⅝	9⅛	9⅛	+ ⅛
44⅝	18	CarsPir	1.28	2.1	10	151	36⅝	36	36⅝	— ⅛
24⅝	14	CartWw	1.22	5.5	13	351	22⅝	21⅝	22⅝	+ ⅛
12⅝	12⅝	CartHy	.20	1.6	10	163	12⅝	12⅝	12⅝	
10½	8⅝	CascNG	1.12	12.1	32	7	9⅝	9⅝	9⅝	
31⅛	22	CatIC pf	2.50	9.2		62	30⅝	30⅝	30⅝	
49⅝	23⅝	CatPil	1.50	3.2	16	1552	47⅝	46⅝	47⅝	+ ⅝
36⅝	18⅝	CecCo	1.00	3.8	10	33	33½	33	33⅝	— ⅛
79	41⅝	Celanese	4.00	5.4		575	74½	73	73⅝	— ⅝
39	33⅝	Celan pf	4.50	12.2		4	37	36⅝	36⅝	— ⅝
48⅝	28⅝	CelPb s	.40	1.0	10	484	39	38⅝	39	+ ⅛
33⅝	18⅝	Centex s	.25	.8	14	52	32⅝	31⅝	32⅝	+ ⅛
19½	15⅝	CenSoW	1.78	8.8	7	8231	20⅝	19⅞	20⅝	+ ¼
26⅝	20⅝	CenHud	2.68	10.7	6	44	24½	24¼	24¼	— ⅛
24⅝	21⅝	CentIL	2.04	9.6	4	318	21⅛	21⅛	21⅛	+ ⅛
14⅝	13⅝	CntPS	1.52a	9.4	10	579	17⅛	16⅝	17⅛	+ ⅛
17½	13⅝	CnLoEl	1.84	10.4	7	407	17⅝	17⅝	17⅝	+ ½
34⅝	21⅝	CLeEl pf	4.18	13.4		4	32½	32½	32½	+ ⅛
17⅛	13⅝	CelMPw	1.84	12.6	7	281	14	13⅝	13⅝	+ ⅛
16⅝	10⅝	CelRcp	.84	5.3	8	15	14⅝	14⅝	14⅝	
24⅝	19	CnVIPS	2.40	9.4	6	29	25	24⅝	25	+ ⅛
28⅝	19⅝	CentrDt				195	24⅝	24	24⅝	
11⅝	7⅝	CntryTl	.76	7.9	7	77	9⅝	9⅝	9⅝	— ⅛
18⅝	14⅝	CentUll s	2.40	9.5	4	44	25¼	24⅝	25¼	+ ⅛
25⅝	13	CrmpKn	1.04	4.8	11	4	21½	21⅛	21½	— ⅛
30⅝	17½	CeasAir	.40	1.4		962	29⅝	29⅛	29⅝	— ⅛
28⅝	14⅝	Chemln	.60	1.4	22	4025	25	24⅝

BUSINESS BRIEFS

Nippon Telegraph Says It Will Buy Supercomputer, Data System in U.S.

TOKYO (Combined Dispatches) — Japan's government-owned telecommunications monopoly, Nippon Telegraph and Telephone Co., said Wednesday that it would purchase a computer system and an advanced traffic information collecting system from two American companies.

Nippon said it had agreed to procure a supercomputer from Cray Research Inc. of Minneapolis and the information collecting system from American Telephone & Telegraph International Co.

Nippon and the AT&T unit will jointly develop the information system in the United States and Nippon will later import it to Japan. It is expected to cost NTT about $47.4 million. The cost of Cray's XMP Supercomputer is estimated at $17.3 million.

Nippon has been criticized in the United States for not living up to a promise it made to open contract bidding for telecommunications purchases to foreign companies.

Philips Studies New Video Recorder

EINDHOVEN, The Netherlands (Reuters) — Philips said Wednesday that it is studying the idea of making its own video recorders for markets outside Europe.

The giant Dutch electrical products group currently sells Japanese-made VHS recorders in the United States, Australia and New Zealand under its subsidiaries' names. In Europe, Philips markets its own V-2000 recorders.

Philips said the number of VHS recorders it sells outside Europe has increased, leading the company to consider making its own recorders for export outside Europe. Philips also announced that it will produce a V-2000 recorder capable of recording for 16 hours on one cassette in early 1984 and in the second half of 1984 will introduce an 8mm video camera-recorder combination.

Wang Introduces Image Computer

WASHINGTON (Combined Dispatches) — A computer that can read and store pictures and documents as easily as it can manipulate numbers and words has been unveiled by Wang Laboratories Inc., which said the new system would reduce the burden of record-keeping for the insurance and banking industries and governmental offices.

Wang's "Professional Image Computer," introduced Tuesday at a news conference, will sell for $12,000 to $15,000. Industry sources predicted that within a couple of years prices would drop low enough to be available for home computers.

The heart of the system is an image scanner that can record documents 11 by 14 inches (28 by 35.5 millimeters) or smaller. The system includes a high-resolution monitor and a thermal printer that can reproduce documents, engineering sketches and even signatures. The computer can also be used to alter the image before it is printed.

BP to Construct Polyethylene Plant

LONDON (Reuters) — British Petroleum Co. said it plans to build a polyethylene plant capable of producing 100,000 metric tons (111,000 short tons) per year at its Lavera site in southern France for 370 million French francs.

The new plant is due to begin operations in 1985 and will replace uneconomical units producing 72,000 tons annually of high-density polyethylene, British Petroleum said.

26 Arrested in Korean Loan Scandal

SEOUL (UPI) — Twenty-six people, including two owners of medium-size companies and three bank managers, have been arrested for involvement in a $208-million loan scandal, prosecutors said Wednesday.

Those arrested included the heads of Youngdong Development Co. and Shinhan Pipe Co. and the managers of the Chohenng Bank, one of the largest commercial banks in Korea, officials said.

The others under arrest are low-level officials at the two companies and the bank, the officials said. Twelve people were arrested when the scandal was uncovered last week. A full government announcement on the case is expected next week.

Coleco Suit Alleges Firm Hid Problems

Compiled by Our Staff From Dispatches

NEW YORK — A stockholder of Coleco Industries Inc. has filed a class-action suit charging that the company artificially inflated the price of its stock by concealing the production and design problems that have delayed introduction of its Adam home computer.

The action, which seeks unspecified damages, was filed Tuesday in Federal District Court in Hartford, Connecticut, where Coleco is based, by Deane Rudofker of Merion, Pennsylvania.

It also charged that several Coleco officers, including Arnold C. Greenberg, the company's president and chief executive officer, had sold $8 million in Coleco stock in June on the basis of insider information.

Mr. Greenberg denied that he and other company officials had sold large numbers of shares while stock prices were high.

Other Coleco officials labeled as "nonsense" the allegations.

Reports filed with the Securities and Exchange Commission indicate that Mr. Greenberg sold 125,000 shares at $55.11 and 25,000 shares at $57.03 in June.

Coleco's Adam computer was originally scheduled for release in late August. The machine, however, has been delayed by design problems with its unusual high-speed tape memory system and with its word processing program.

The lawsuit alleges that people who bought Coleco stock from May 27 to Sept. 29 paid "artificially inflated prices because Coleco and certain officers concealed serious technical and production problems of its long-awaited Adam computer," according to a news release issued by Berger & Montague, the Philadelphia law firm representing Mrs. Rudofker.

The suit charges that violations of the federal Securities Exchange Act resulted from concealment of "serious technical and production problems" with Adam, according to David Berger, one of the lawyers representing the plaintiff.

Mr. Greenberg, in denying the allegations, said company officials had been buying, not selling, their interest in Coleco.

Other top officials named in the lawsuit are Mr. Greenberg's brother and company chairman, Leonard E. Greenberg; J. Brian Clarke, an executive vice president; and Morton E. Handel, executive vice president of investor relations.

U.S. Commerce Dept. Opens Probe Of Alleged Chinese Textile Subsidies

By Stuart Auerbach
Washington Post Service

WASHINGTON — The Commerce Department has opened an investigation into charges that China illegally subsidizes its textile and clothing exports through the use of dual exchange rates.

The decision to conduct the probe, announced Tuesday, has widespread foreign policy and trade law implications.

This is the first time the U.S. government has tackled the knotty question of whether illegal subsidies exist in a nonmarket economy such as China's in which the state plays such a major role that prices bear no relation to production costs.

The investigation comes at a time when the Reagan administration is trying to mend its tattered economic relations with China.

Defense Secretary Caspar W. Weinberger promised the transfer of low-level military technology during a just-completed visit to Beijing, and Commerce Secretary Malcolm Baldrige announced regulations designed to make it easier for China to buy the less-strategic high technology it needs for modernizing its industries.

The United States, moreover, settled a year-long major trade rift with China in August when it signed an agreement — over the objections of the American textile industry — to allow Beijing a 3.5 percent yearly increase in its cloth and apparel exports to the United States.

The dispute sparked a Chinese boycott of U.S agriculture products that reportedly cost American farmers $600 million in lost sales.

China shipped 670.6 million square yards (536.5 million square meters) of textile products to the United States last year, becoming the nation's fourth-largest supplier.

The complaint was brought on Sept. 12 by an industry-labor coalition. It charged that differences between an exchange rate of 2.8 yuan to the dollar for companies engaged in foreign trade and an official rate of 1.9939 yuan to the dollar give China's textile exports a 40.4 percent subsidy.

The Commerce Department will hold an unusual special hearing on Nov. 3 to consider whether the law setting countervailing duties to make up for subsidies can be applied to nonmarket economies and whether dual exchange rates constitute a subsidy where the same rate applies to all imported and exported products and the currency is not freely convertible.

The department will issue a preliminary ruling on Dec. 6.

The American Textile Manufacturers Association applauded the Commerce investigation into subsidies caused by exchange rates but said the probe should have been extended into preferential treatment for capital given China's textile industry.

U.S. Steel Industry's Outlook Improves

(Continued from Page 11)

shipments to total about 78 million tons next year.

The industry's two slumbering giants — U.S. Steel and Bethlehem, each of which lost more than $200 million in the first half — should benefit disproportionately from any upsurge in the heavy steel sector because their production is geared more toward structural steel, plate and bar.

"When the capital goods sector recovers, Bethlehem should get the greatest benefit; it has modernized a great deal and has lower costs per ton than U.S. Steel," said Peter L. Anker, senior metals analyst at First Boston Corp.

Bethlehem's mills in Sparrows Point, Maryland, and Burns Harbor, Indiana, are often praised for having the most advanced equipment. In addition, Bethlehem cut its costs by an estimated $25 a ton when it laid off more than 7,000 employees at its mill in Lackawanna, New York.

Analysts said several factors should bring about an increase in orders for heavy steel. Among them they listed Congress's newly professed interest in rebuilding the United States' bridges and highways, bond votes in New York and other states for such construction and funds from a new gasoline tax.

"Bethlehem is probably the biggest producer of reinforced bar and should do well if there's a lot of road construction," said the Rev. William T. Hogan, a professor of industrial economics at Fordham University.

Mr. Anker and Mr. Hogan agreed that small mill corporations such as Florida Steel and Nucor should also gain from such construction programs because reinforced bar is an important product for them.

Higher prices also are being predicted. "I expect a noticeable narrowing of discounts because of the increased demand," said Robert A. Hageman, a metals analyst with Kidder, Peabody & Co. "Discounts now range from 5 to 30 percent. I'm assuming that they should narrow on the average of 9 percent and that they should translate into list price increases."

Mr. Hageman predicted that by 1985, prices realized in the marketplace would rise "by 20 percent or more." Thomas C. Graham, head of steel operations at U.S. Steel, forecast, however, that steel prices would increase by just 3 percent next year.

Analysts say these price rises, along with increased demand, should push most of the steel companies into the black by the end of 1984. National Steel, now known as National Intergroup Inc., was the only major steelmaker to report a profit in the second quarter of 1983.

The area that will remain weakest, analysts predict, is pipe production. Because of a slowdown in oil and gas exploration, oil companies have accumulated an inventory of about 4 million tons of pipe. Shipments used in oil exploration plummeted to 1.8 million tons in 1982 from 4.2 million tons in 1981. And for the first half of this year, they fell to just 247,000 tons.

"We would have to go through another energy crisis before pipe numbers move up to where they used to be," Mr. Hageman said.

Analysts said that because so many companies produce pipe the continuing slump in that sector would not hurt any one company appreciably more than others. They said, however, that the slack demand may create problems for the pipemaking facilities that U.S. Steel is expected to open in Fairfield, Alabama, in the next few months.

About 4.3 million tons of tin plate, used in cans, were produced domestically in 1982, down about 25 percent from 1980.

Wednesday's NYSE Closing

Tables include the nationwide prices Up to the closing on Wall Street

(Continued from Page 12)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
43⅞	20⅞	Nercuts	1.44	4.8	14	4379	36	34¼	35⅝	-⅜
15	7¾	HertC				30	8¾	8¼	8¾	+⅜
21¼	14⅛	HertC pf	1.80	8.2		6	18½	18¼	18¼	-⅛
22¾	22¾	Nrshy s				13	148	33½	33	+⅛
18	5½	Hesstna				112	17⅝	17½	17½	-⅛
18	8½	Hestn pf				11	17⅝	17⅝	17⅝	-⅛
48¼	25⅝	HewPk s	.16	.4	27	3027	42¼	40¼	42¼	+1⅛
29⅝	17⅝	Hexcel	.60	2.3	27	3	26⅛	26⅛	26⅛	-⅛
16⅝	8	NIShear	.80	3.8		44	13	12⅞	13	+⅛
13½	7½	NIVeh	.15	1.6	86	85	9⅝	9½	9½	+½
49⅞	28¼	Nlinbrd	.88	2.0	13	5	45	44⅞	44⅞	-1¼
49¼	34⅝	Nlilton	1.80	3.4	18	401	52⅞	52¼	52⅞	+½
39⅛	22⅞	Nlhchl	.24r	.6	18	271	39⅝	38⅝	39½	+⅜
50	37	Holiday	.84	1.6	25	460	54½	52¼	54½	+⅜
84	47⅞	NldyA	1.70f	2.1		1	80	80	80	-1⅛
57	30	Hollyb	1.80	1.8		95	54½	53¼	54½	+1
9½	7⅞	NmeGp pf	1.18	12.4		96	9	8⅞	8⅞	-⅛
37¾	17	Nmstk s	.20	.7	39	2175	39⅛	37⅛	39½	+1½
44⅝	28⅝	Honda	.35r	.8	11	817	42	41⅛	42	+1½
127½	77¼	Honwll	3.60	2.9	13	2326	125¼	123¼	125¼	-1½
26½	12½	Hoovlt s	.92	3.9	12	40r	23⅞	22⅞	23½	
26⅞	15⅝	HorzBn	1.52	5.8	7	20	26	25⅞	26	-⅛
12⅞	6¼	Horizon	.54t	5.3		1295	10⅝	9½	10¼	+1
56¼	32⅛	HosCs	.40	.9	16	2259	46	45	45¼	-⅛
28¼	22⅛	HotelTn	2.60	10.5	15	44	24¾	24½	24¾	+⅛
39	12⅞	HougMfn	.00	2.9	13	182	28⅞	27⅞	27⅞	-1⅛
29⅝	13½	HouFbs	.40	2.5	9	1178	14⅝	14¼	14¼	-⅜
32⅞	19	HouJnt	1.70	5.5	11	1047	30⅞	30⅝	30¾	-⅛
47¾	22¾	HoInt pf	2.50	5.4	11		45¼	45¼	45¼	
23¼	18⅛	HouInd	2.32	9.6	17	4293	23⅞	23	23⅞	+⅜
49⅝	28¼	HouNG	1.82	4.8	18	1323	45⅝	45⅛	45⅝	+1⅛
21	15	HouOR	2.36e	12.5		45	19⅝	18⅝	19⅛	
17⅞	7½	Howell	.40	2.9	63	25	14⅝	13⅝	13¾	-⅜
29⅝	13⅝	HowPt	.40	1.8	17	13	22	22⅝	22⅝	-⅜
20	14⅛	Hubbrd	2.20	9.4	12	73	23⅝	23⅝	23⅝	
19	9¾	Huffin			18	70	17⅝	17	17½	+⅛
24⅝	14¾	HughTl	.84	4.2	17	067	20¾	19⅝	20⅛	-⅛
40	24⅛	Human s	.40	1.0	17	742	32⅞	32⅝	32¾	+⅛
24	19⅝	Humg pf	2.50	10.6		14	23⅝	23⅝	23⅝	+⅛
20½	10½	HuntJB	.30	2.5	27	31	12⅝	12⅛	12⅝	-⅛
53⅛	24¾	HuntEFs	.80	2.1	6	1212	38⅛	37⅝	38⅛	+⅜
23½	16⅝	Hydral	1.04	9.1	8	26	26⅝	19¾	20⅛	-4⅛

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12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
49	30½	IC Ind	2.26	5.2	16	257	45¼	44⅝	45⅛	+⅜
73	45½	IC In pf	3.50	5.2		5	66¾	64⅝	66¾	+⅜
15½	6¼	ICN				60	4¾	9⅝	8¾	-⅛
18¼	15¾	INAIn	1.92e	11.6		19	15⅝	16¼	15¼	+⅛
30⅝	14⅝	IU Int	1.15b	4.3	16	340	27⅞	26⅝	27¼	+⅛
34¼	23⅞	IdaHP	3.05	8.9	8	336	34⅞	34⅛	34¼	-⅛
23¼	13⅝	IdealB	.30t			312	21⅞	20½	21⅜	+1¼
34½	26	IdlPwr	2.48	10.8	8	4960	23	22⅝	23	+⅛
18½	15⅝	IIPow pf	2.04	12.5		80r	16⅝	16⅝	16⅝	-⅛
37	29	IIPow pf	3.76	12.1		50r	31⅛	31	31⅛	-⅛
55	32½	ITW	1.15	2.3	14	29	50½	50	50½	+⅛
17⅝	9¼	ImpChe				1012	11¼	10¼	11⅛	+⅞
18¼	8½	INCO	.20	1.3		3939	16	15⅞	16	+⅜
51⅝	48	IndIll pf	5.00			1360r	53⅝	53	53⅝	
18⅞	15½	IndIM pf	2.15	12.7		1	16⅞	16⅞	16⅞	-⅛
19⅝	15⅝	IndIM pf	2.25	13.9		7	17⅛	17½	17½	+⅛
30⅝	25½	IndIM pf	3.63	13.0		3	28	28	28	
37⅞	26	IndIGas	3.28	8.9	7	106	37	36	37	
29⅝	24½	IndPL	2.76	9.6	8	91	20¾	28⅝	28¾	-⅜
14	7⅝	Indexco	.14	1.3	12	788	11⅝	10⅝	10⅞	-⅜
35½	13½	Infmtc			17	65	26½	26	26½	
37⅝	25⅝	InspcR	2.60	4.7		1110	55⅝	55	55⅝	+2¼
37	24¼	IngR pf	2.25	6.6		50	34	33⅝	33¾	
17⅞	7⅝	IngrTec	.54	3.5	24	11	15⅝	15⅝	15⅝	-⅛
35	20⅞	IndSfl	.50	1.6		3575	31⅝	30⅞	31⅝	+⅛
26⅝	14½	Insilco	1.00b	4.5	19	209	22⅞	22⅝	22⅝	+⅜
16¼	11¾	InsRes n				23	13	13	13	
1⅝	⅞	Instlow				334	1⅛	1	1⅛	+½
46	12¼	IntgrR s			14	233	28½	27⅝	28½	+⅞
44¾	23½	IntgrR pf	3.03	7.8		211	38⅝	38	38⅝	+⅛
48¼	42	IntgrR pf	4.25	8.9		2	47½	47	47½	+⅛
27⅛	14⅝	IntRFn	.45e	2.5		43	15	15⅝	16	+½
19¾	17	IpcSe	2.10a	11.8		26	18⅛	18⅛	18⅛	+⅛
85	45⅝	Interco	2.88	4.3	13	125	67¼	67	67¼	+⅛
183	100¼	Inter pf	7.75	5.4		1	144	143	134	+1
30⅞	17¾	IntrSt	1.20	4.2	5	2448	29⅞	19⅝	19⅝	-⅛
64¼	26⅛	Intrlk	2.40	6.2	39	71	47¾	42	42¼	
30¼	16½	Intrnd n				173	17	16⅝	16⅝	
24⅝	11⅝	IntJalu	.60	3.0	14	18	20⅛	20¼	20¼	+⅛
120⅛	72¼	IB44	3.80	2.9	16	13913	121¼	120⅛	121	+1⅛
34⅛	23½	IntFlav	1.04	3.1	19	747	33½	32⅞	33½	+⅜
12½	3	IntHarv				2106	13⅛	11	11¼	+¼
7⅝	1	IntHrwt				922	7⅝	7⅛	7⅝	+⅛
28	5¼	IntNtr pf				8	27⅝	27¼	27¼	
45½	26½	IntHr pf	3.00	7.1		52	42	41⅛	42	+⅛
49	30	IntMin	2.60	5.6	15	240	46⅝	44⅞	46⅝	+1¼
38½	33½	IntMin pf	4.80	10.7		1	37½	37½	37½	-1
36⅝	26	IntMult	1.76	5.2	8	401	36⅝	35	36⅝	+⅜
59⅝	39¼	IntPaper	2.40	4.5	17	966	53⅝	52⅝	53	
45½	7⅝	IntRect				162	41⅝	40⅝	41⅝	+1⅛
47¾	25¾	IntTT	2.76	6.2	18	3008	44⅝	44	44⅛	+⅜
76¼	42	ITT pfK	4.00	5.8		19	72	71	72	+⅛
69½	44	ITT pfO	5.00	7.4		8	68¼	67¼	67¼	
58¼	32⅛	IntTT pf	2.25	4.1		11	55½	55	55½	-⅛
79¼	43	IntTT pf	4.50	6.1		5	74	74	74	+⅜
40⅝	24½	IntNtrth	2.32	5.9	13	274	40	38¾	39¾	-⅜
138½	128¼	IntNl pfJE	8.50	7.6		10	138½	138⅛	138½	+⅜
97⅝	73½	IntNl pfHE	8.50	10.9		4	96	96⅝	96¼	+⅛
61⅝	26¼	IntpGp	1.80	2.0	13	39	59½	59¼	59½	
15⅝	8¼	IntBakr				297	14⅝	14¼	14⅜	+⅛
17¾	14⅛	IntstPw	1.74	10.4	7	33	16¾	16½	16¾	+⅛
26¼	16	IntPwr pf	2.38	12.5		300r	18⅛	18⅛	18⅛	
20¼	16½	IntUnTr n	.10e	5.2	18	72	19⅛	19	19¼	-⅛
17¼	14½	IowaEl	1.76	10.9	18	81	16⅝	16	16⅝	+⅛
25⅝	20⅛	IowaIG	2.40	9.5	7	42	24	25⅝	26	+⅛
24⅝	21½	IowaPS	2.52	10.3	8	138	24⅝	24⅝	24⅝	+⅜
27⅞	23½	IowaRS	2.92	10.5	7	67	27⅞	27⅞	27⅞	+⅛
18¼	7	IpcCp	.30	2.0	15	39	15⅛	14⅞	15	
53⅝	38½	IrvBank	3.52	6.8	5	292	51⅛	51	51⅛	+½

J

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
39¼	18	JWT	1.44	2.7	23	29	39	38¾	38¾	-⅜
42¼	12¼	JrWers	.40	1.1	17	326	38	36⅞	37	-⅜
25¼	6⅝	Jamsw s	.18	.4	13	146	23¼	22½	23	-⅞
12⅞	8¼	JasnF	1.13e	8.7		280	13⅛	12¾	13	+½
37⅞	26¼	JeffPilt	1.76	5.0	6	52	35¼	35¼	35½	+¼
32	25½	JerCp pf	4.00	14.5		800r	27½	27½	27½	
21	17⅝	JerCp pf	9.36	14.2		30r	64	64	64	-⅛
63	50⅝	JerCp pf	8.12	14.2		100r	57	57	57	
63¾	50½	JerCp pf	8.00	14.2		100r	56¼	56¼	56¼	
17½	14⅛	JerCp pf	2.18	14.8		8	15⅝	15⅝	15⅝	-⅛
54⅝	39½	JewelC	2.60	5.0	6	198	52	51⅝	52½	+⅛
38½	30	JewlCo pf			2	37¼	37¼	37¼	37¼	-⅜
19	4	Jewlcr			203	103	8½	8⅛	9⅛	-⅛
51½	38¾	JohnJn	1.18	2.3	18	3057	47⅞	46⅞	47	+⅛
34½	20	JohnCo	1.80	2.4	11	143	44	43⅝	43⅝	-⅛
26	14½	JohnCg pf	2.50	12.7		2	19⅝	19⅝	19⅝	-⅛
26⅛	11½	JonLogs	.54	2.5	18	41	23	21½	21⅞	
29⅞	22¾	Josten	1.80	3.4	13	269	29½	28⅞	29¼	+⅛
30⅝	21¼	JoyMfg	1.40	4.9	22	194	28¾	28⅝	28¾	+⅜

K

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
9½	4	KDI	.10e	1.1	14	162	9¼	8⅝	9	-⅛
63¾	31	KLM			14	413	54	52½	54	+2½
38⅛	28⅛	K mart	1.08	3.0	13	3996	36	35⅝	35¾	-⅜
64	23¾	KN En	1.48	3.0	17	3424	50⅝	48⅝	49½	-2½
27⅞	13¾	KatsrAl	.60	3.9		337	20⅛	19⅝	20	
32⅞	18⅝	KaitCo	.60	2.1		25	29	27⅞	27⅞	+⅜
25⅝	15	KalCf pf	1.37	7.1		18	19¼	19¼	19¼	-⅜
43⅝	16½	KaisrSt				1290	42¼	41⅛	41⅝	-½
17½	15⅝	KaneMl	.28	1.9		1	14¾	14¾	14¾	-⅛
31⅛	13⅝	Kansas	.63	4.3	16	152	14⅝	14½	14⅝	-⅛
33⅞	24¾	KCPrPL	3.35	10.7	7	217	32¼	30⅞	32¼	+⅛
19⅛	16¼	KCPL pf	2.20	12.5		4	17½	17½	17½	
20½	17⅝	KCPL pf	2.33	12.2		10	19	19	19	+½
74⅝	35¼	KCSou	.88	1.3	25	63	68¼	67⅞	68	
15½	8	KCSo pf	1.00	7.4		1	13½	13½	13½	-⅛
21¼	16½	KanGE	2.34	10.7	7	415	20⅝	20⅝	20⅝	+⅜
27⅞	22⅝	KanPLt	2.56	9.8	8	197	27⅞	27⅞	27⅞	+¼
21	17½	KaPL pf	2.23	11.3		27	20	19⅝	19⅝	+⅜
25⅝	8⅝	Katyin			13	1180	23⅝	22⅝	23⅝	+⅜
75⅝	21	Kaufy pf	1.46	1.9		30	78	70⅝	77⅝	+7⅝
25¼	8⅛	KaufBr	.40	2.3	216	402	17¼	14⅝	17¼	+⅛
20⅝	10⅝	Kaufmn	1.80	6.6		2	17½	17½	17½	+⅛
24⅝	12½	Keller	.30	1.2	18	63	26⅝	24	24⅝	
31¼	21⅝	KellSv	1.60	5.2	18	30	31	30⅝	31	-⅛
43¼	14¼	Kellwd	.80	2.2	9	13	35	34½	34½	-⅜
7⅞	4⅛	Kenai				240	5½	5⅛	5½	
32¼	23⅝	Kemnl	.72	2.7		113	28	26⅝	26⅝	-1
23⅝	21⅝	KyUtil	2.20	9.4	9	215	23	22⅝	23	+⅛
21¼	11⅝	KerrGl	.44	2.4	37	47	18⅛	18	18⅛	-⅛
30⅝	18	KerrMc	1.20	6.4	4	26	26½	26½	26½	-½
37½	24⅝	KerrMc	1.18	3.4	8	1772	21	30¼	20⅛	-½
30½	23⅝	KeyBk n	1.50	5.4	7	37	28	27⅝	27⅝	
18	12	KeyCo				18	11⅝	11⅝	11⅝	+⅛
26⅝	17⅝	KeyInt	.48b	2.4	40	34	19⅝	19⅝	19⅝	+½
37	19	Kidde	1.18	3.8	5	127	28⅝	28½	28⅝	
95	59	KimbCl	4.20	4.5	12	574	94⅝	93⅝	94⅝	+⅛
19¼	10⅝	KingRes	1.12	2.3	72	170	56⅝	53⅝	53⅝	-⅛
28⅝	13⅝	Kinder	1.20	4.7	46	3	27	26⅝	26⅝	-⅛
36⅝	16⅝	Kolmor	.32	1.1	46	39	29⅝	29½	29⅝	
15	12⅝	Kopers	.80	4.5		179	17⅝	17⅝	17⅝	-⅛
36	29⅝	Korfund	4.00	12.0		150r	33	32	33	
100	73¼	Kopp pf	10.00	10.8		1	93	93	93	-½
25	7	Kroehlr				39	21⅛	20⅝	21¼	+⅛
47¼	34⅛	Kroger	2.00	5.3	18	12344	38⅝	37⅝	37⅞	-⅛
19¼	10⅝	Kuhlm	.80	5.5	12	8	14	14⅛	14⅛	
65¼	22	Kyocer				2	52	54	65⅝	-6
22⅝	6	Kysor	.20	1.0	88	133x	19⅝	18½	19⅝	+⅛

L

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
31⅛	23½	LN Ho	2.69a	10.4	10	38	26⅛	25⅛	25⅝	+⅜
22¼	5⅝	LFE			50	50	12⅝	12⅝	12⅝	-⅛
14¼	4¾	LFE pf	.50	5.4		2	9¼	9¼	9¼	-½
14⅝	11	LL&E n	.34e	3.5		306	13⅝	13¼	13⅝	+⅛
8¼	1⅛	LLCo				18	5⅝	5⅝	5⅝	-⅛
18⅝	9¼	LTV	.25	1.6		2041	16⅝	15⅝	16⅝	+⅛
29¼	27⅝	LTV pf	3.86	10.7		128	35½	27⅝	28½	+⅜
25⅝	16⅝	LQuint			31	127	19⅝	19½	19⅝	
23	21¼	LacGas	2.40	9.2	9	9	26¼	27⅝	26¼	+⅛
4⅝	2⅝	LamSes				2	3⅝	3⅝	3⅝	+⅛
12⅝	7⅝	Lanier	.40	2.1	21	228	19⅝	19	19¼	
19⅝	18	LawInt	.72	4.8	18	106	18	17⅝	18	+⅛
31¼	10⅝	LeerPl	.20	.8	13	395	25⅝	23½	25⅝	-1
38½	27¼	LeerP pf	2.87	10.5		57	28⅝	27⅝	27⅝	-⅜
47¼	28	LeaSe	1.60	2.5	11	56	41⅝	41	41⅛	+⅜
25⅝	10⅝	LeeRnl s	.36	1.8	19	15	19⅝	19⅝	19⅝	+⅜
47⅝	31⅝	LswyTr	1.50	3.5	14	23	42⅝	42	42½	+⅜
23⅝	13½	LeeEn s	.64	2.6	16	1	25	25	25	
18⅝	13	LehMan	.20	.1	7	21	13⅝	13⅝	13⅝	+⅛
24⅝	18⅛	LegPfs	.40	1.8	14	139	22⅝	22⅝	22⅝	-⅛
2¼	⅝	LehVal				280	2¼	2¼	2¼	
7⅝	4⅝	LVIn pf				2	19⅛	19⅛	19⅛	+⅜
18	11⅝	Lennar	1.19e	11.4		107	17⅝	16⅝	17⅝	+⅛
29⅝	14½	Lennox	.20	1.0	29	220	19⅝	19	19⅝	-⅛
21⅝	7⅝	LeucN s			9	13	17⅝	17	17¼	+⅛
14⅝	11⅛	Levcd pf	1.85	15.4		2	11⅝	11⅝	11⅝	+⅛
56	32⅛	LevStr	1.85	3.9	11	752	48⅝	47⅝	48⅝	+⅛
45⅝	13½	Levitz s	.56	1.3	21	98	43	41⅝	42	-1
42	23⅛	LOF	1.28	3.1	25	563	39⅛	39	39	-⅛
64½	45⅝	LOF pf	4.75	7.7		6	62	62	62	
22⅝	13½	LibtyCp	.72	3.3	14	1	22⅝	22⅝	22⅝	+⅛
35⅝	19½	Lfemk s	.40	1.5	15	176	27⅝	26⅝	27⅝	+⅛
67½	51⅝	Lilly	2.90	4.4	11	1455	63⅝	62⅝	63⅝	+⅛
21	7⅝	Limited s	.12	.4	25	136	29⅝	28⅝	29	+½
39	37½	LincEl	3.00	5.3	9	204	56⅝	56⅝	56⅝	+⅛
20⅝	17⅝	LincPl	2.16a	10.8		8	20	20	20	-1⅛
72⅝	43⅝	Litton	1.80b	2.5	12	502	63⅝	63	63⅝	+⅛
28	15½	Litton pf	1.74	7.1		1	24½	24½	24½	-⅛
43	31⅝	Lockhd	.60	1.4	25	3388	43½	42⅝	43	+1⅛
45⅝	26¼	Locite	.40	1.4	25	54	42	42	42	-⅛
176	120⅝	Loews	1.20	.8	7	6	159⅝	158⅝	158⅝	-1
38⅝	28⅝	LomFin	2.00	5.9	13	2	34½	34½	34½	
35⅝	25	LomAnt	3.04e	10.4	18	305	29⅝	29¼	29⅝	+⅛
38⅝	23¼	LnStar	1.90	6.9		1031	27⅝	27⅝	27⅝	
18	14⅛	LILCo	2.02	12.4	6	2411	16¼	16	16¼	+⅛
26½	23⅝	LIL pfW	2.52	12.5		20	20	25¼	26	+⅛
28⅝	24½	LIL pfU	3.50	13.4		35	26⅛	26⅝	26⅝	-⅛
33	28⅝	LIL pfU	4.25	14.6		7	30⅛	30⅝	30⅝	-⅛
36⅝	22⅝	LIL pfT	3.31	13.5		12	30⅝	30⅝	30⅝	+⅛
20½	16⅝	LIL pfO	2.43	13.2		7	18⅝	18⅝	18⅝	-⅛
21⅝	18½	LIL pfO	2.47	13.5		7	18⅝	18⅝	18⅝	-⅛
50⅝	33⅝	LongDr	1.12	2.5	14	64	44	43⅝	44	+⅜
30½	18⅛	Lorad s	.44	1.7	20	338	26⅝	25⅝	26⅝	+1⅛
14⅛	8⅝	LoGeni	.49	4.8	21	3	12⅝	12½	12⅝	-⅛
30⅝	23⅝	LLgnd n	1.00b	3.9	18	304	26	25½	25⅝	
24⅝	18⅛	LoPac	.80b	3.0	55	195	27	26⅝	26⅝	+⅜
26⅝	23⅛	LoPL pf	2.12	13.0		108	24⅝	24	24⅝	+⅛
24½	20	LouvGs	2.24	10.3	12	1485	21⅝	22⅝	23	+⅛
35⅛	28½	Lowenst	1.60	3.0	11	5	44	33⅝	33⅝	-⅛
32⅝	23⅝	Lowes s	.32	1.3	22	1808	24⅝	23⅝	24⅝	+⅛
27⅝	17⅛	LubrzL	1.06	4.5	17	547	24⅝	23⅝	24	-⅜
35	22⅝	Lubys s	.60	1.8	23	23	33½	33	33½	+⅜
25⅝	14⅛	LuckyS	1.16	5.4	18	828	21⅝	21	21⅝	
17⅝	9⅝	Lukens	.40	2.9		24	13⅝	13⅝	13⅝	

M

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
51	31⅝	MfrHan	3.84	7.8	5	291	39½	38⅝	39⅝	
63⅝	52¼	MfrHvl pf	5.71e	10.0		446	57	56½	57	+⅜
16⅝	5⅝	vlManvl				1454	11⅛	10⅝	11½	+1
33⅞	12	vlManvl pf				57	28⅛	24	28	
29⅝	31½	MAPCO	1.00	4.0	12	615	25⅛	24⅝	25	+⅛
5⅝	2⅝	MrcCle				21	3⅝	3⅝	3⅝	-⅛
30⅝	18	MarMid	1.48	5.9	5	458	24	23⅝	23⅝	-⅛
41⅛	46	MrMid pf	2.80e	5.6		230	49⅝	49⅝	49⅝	
46⅝	14⅛	Marlton s	.32	.7	58	346	45	43½	45	+1⅛
19⅝	8⅛	MarkC	.32	2.3	24	88	14½	14	14⅛	+⅛
22⅝	13	Mark pf	1.20	6.2		5	19½	19	19⅛	
81	44⅝	Marrlot	.36	.5	19	617	73½	72⅝	73⅛	-⅛
47½	26⅛	MrshM	2.20	5.0	13	969	44⅝	44	44⅛	-½
64⅝	36⅛	MrtM	1.92	3.2	13	423	62½	60	60⅛	-1⅝
43⅝	24⅛	Marx44wt				4	42	42	42	
29⅝	21⅝	MrMPf	4.87	7.2		2	67	67	67⅛	-⅜
64⅝	17⅝	MaryK s	.12	.5	17	523	25½	22⅝	23⅛	+⅛
11⅝	8⅛	Masco s	.44	1.3	19	2204	33⅝	32⅝	32⅝	-½
59	25	MasNW

WORLD STOCK MARKETS

Union Stock Funds Likely to Broaden Stockholm's Boom

By Axel Krause
International Herald Tribune

STOCKHOLM — Operating from cramped quarters on the ground floor of an 18th-century building overlooking this city, the Stockholm Stock Exchange is in its third year of booming volume and prices. And now a controversial government plan to establish union-controlled investment funds is expected to provide additional impetus for growth.

Some big headaches also are emerging.

The major problem facing the Fondbörs is simply coping with the expansion. Representatives of the 20 member firms work in small, crowded booths and only two slots remain available. The exchange still operates with a staff of 22, including the president, who only last week hired a fulltime secretary. Rules on trading and reporting requirements are still very loose and currently there are no funds or sites available for substantial expansion.

'We estimate the funds will account for roughly 40 percent of the new, net flow of money into the stock exchange.'

The Amsterdam Stock Exchange, handling about the same volume, operates with a staff of 175 persons and draws on the services of an affiliated company employing 700 persons, its officials said.

"There still is something of a club atmosphere here, but everyone likes the premises and we will expand here little by little," said Bengt Grönquist, president.

Gesturing to a bank of computer terminals recording transactions, he said: "Of course, we have plenty of electronics here, but we do need more staffing and space, and we are drafting new regulations, paralleling those in the European Common Market," on trading ethics. The exchange also plans to hire a fulltime accountant later this year and is looking for someone to handle press relations, he said.

"Several years ago you probably would not have been interested in us," Mr. Grönquist told a reporter last week. But he readily conceded that the role of the exchange will expand substantially because of the investments planned by the union funds, a controversial issue that has drawn wide attention.

Mr. Grönquist, who previously had worked for Skandinaviska Enskilda Banken and Exton, opposes the plan on principle, and Tuesday afternoon joined 75,000 people in a protest march on parliament.

Under the plan, the union-controlled funds would buy substantial interests in leading Swedish industrial and financial companies. Parliament is expected to approve the legislation next month.

"I am a conservative, in favor of free enterprise, but I also avoid political statements," he said, adding that the funds will represent a new force on the market, with what he termed "a beneficial" effect on trading and prices.

Indeed, the buying surge is expected to play a key role in pushing Stockholm's ranking among the world's 16 leading stock exchange's from 10th to eighth place next year, possibly putting it ahead of Amsterdam and Hong Kong, exchange officials said. Perhaps as a sign of the Stockholm Exchange's new clout, the exchange will sponsor the annual meeting of the International Stock Exchange Federation next fall for the first time.

"A lot of people here are protesting the funds, but once functioning, we estimate that they will account for roughly 40 percent of the new, net flow of money into the stock exchange," said Per-Olof Edin, an adviser to the Social Democratic Party in the Finance Ministry and the plan's main architect.

The plan would be financed by a new tax on corporate profits. That would provide the funds with a total of about 2 billion kronor (about $255.6 million at current exchange rates) annually with which to buy shares, starting next year and running through 1990.

Anticipating the plan's implementation, some large industrial companies and banks, including multinationals, have already started buying heavily to consolidate their control over the shares of the about 160 companies listed on the exchange. But until now such buying has been only a relatively minor factor in the exchange's boom, which began in 1980, when the government raised an income-tax rebate on investors' purchases in mutual funds to 30 percent from 20 percent.

Many Swedish and foreign investors also have been attracted by the fact that sales and profits of leading industrial companies and banks are setting records this year amid rapidly expanding exports, which were helped considerably by a 16 percent devaluation announced by Prime Minister Olof Palme shortly after his victory in parliamentary elections in September 1982.

As part of the austerity package that he presented to parliament Tuesday, Mr. Palme also is pressing for other measures that business favors: freezing, or cutting, corporate taxes next year, restricting wage increases and cutting government spending.

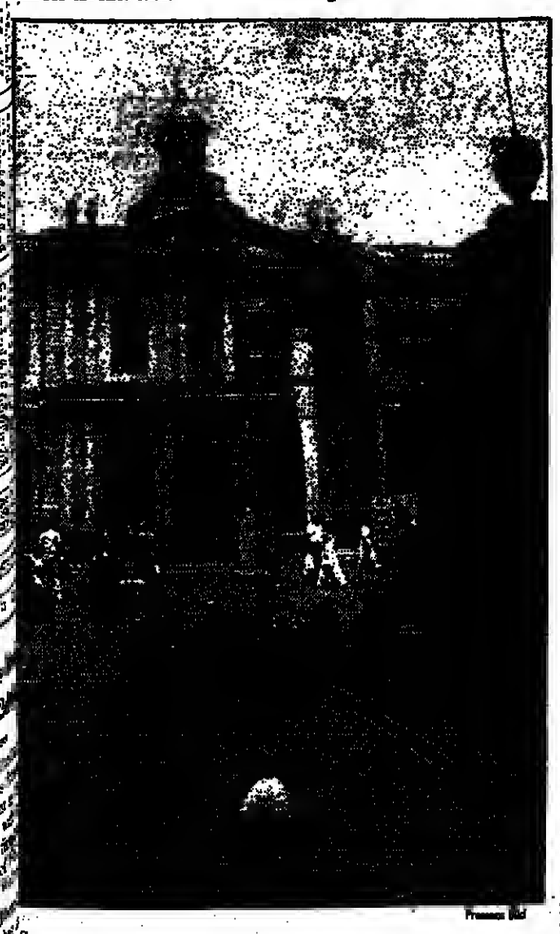
"The stock market here was asleep throughout the 1970s and we're catching up a lot," said the chairman of a leading Swedish company, "but with the notorious exception of these very objectionable union funds, there is a lot in Palme's program attractive to business — and it is reflected on the exchange."

This year's volume on the Fondbörs is expected to reach about 80 billion kronor, up from 29 billion kronor in 1982, and at the present pace, it may reach about 100 million kronor in 1984, Mr. Grönquist said. Share values in 1983's first nine months were running 64 percent ahead of the like period in 1982 and probably will continue rising at that pace, he added. He noted that some of the foreign buying has been coming from pension and other institutional funds in the United States and Scotland.

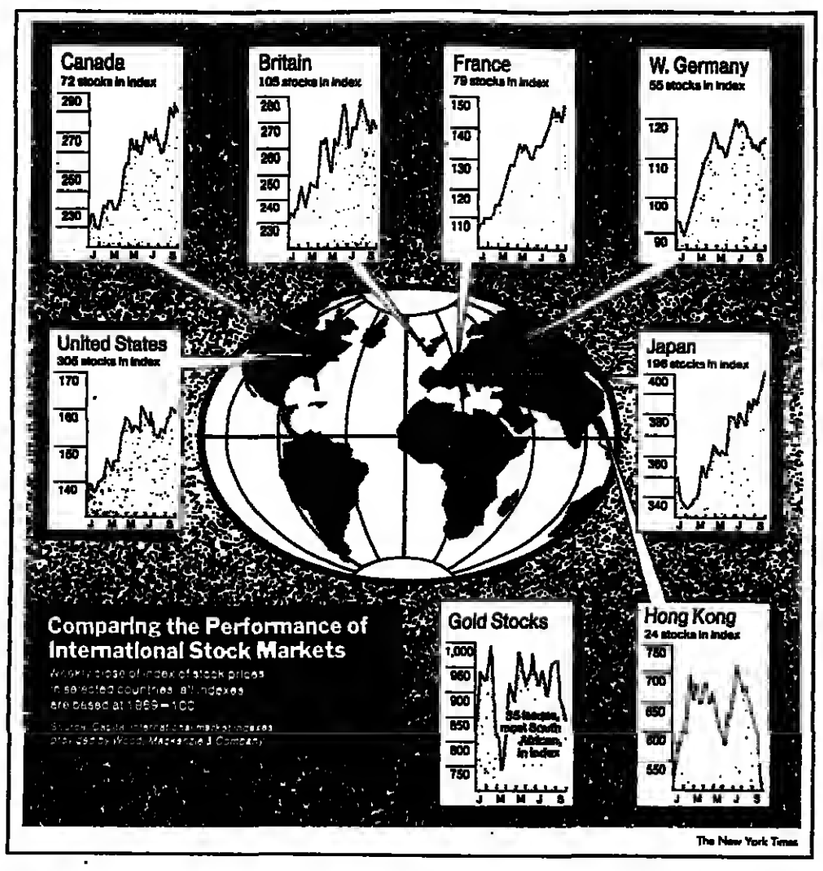
"We are not sure where all the foreign buying is coming from, but it is a real, contributing factor, and helps explain why we are trying to improve and modernize our operations," Mr. Grönquist said.

Meantime, the government and parliamentary committees are working on plans for new legislation that would tighten rules on insider trading and reporting requirements. This legislation could be completed within the next few weeks. Finance Minister Kjell-Olof Feldt is known to favor more self-regulation for the exchange, but on the condition that it be effective, particularly as it relates to the trading of stock in small and medium-sized companies listed on the over-the-counter market, which was established last year.

Some government sources said that the Bank Inspection Board, which supervises the over-the-counter market, may be given a greater role in regulating the exchange.



The Stockholm Stock Exchange building.



Dollar's Strength, Economic Doubts Are Blamed for 3d Period Slowdown

By Kenneth N. Gilpin
New York Times Service

NEW YORK — After six months of rapid advances, the rate of increase in equity prices on major stock exchanges around the world slowed in the third quarter.

For the week ended Sept. 29, the Capital International World Index, which tracks price movements on 19 exchanges around the globe, including the United States, stood at 181.5, up just 0.5 percent from its end-of-June level. Since the beginning of the year, the world index has risen more than 18 percent.

"Continued strength in the dollar and a lack of conviction on the part of investors that recovery is spreading to major economies are the major reasons behind the slowdown," said André Sharon, director of international research at Drexel Burnham Lambert Inc., the New York-based brokerage house.

Here is a roundup of the quarter's activity on some of the world's major exchanges.

Tokyo

With the economy strengthening gradually and the outlook for corporate earnings brightening, the Tokyo Stock Market's Nikkei Dow-Jones Index advanced nearly 6 percent in the third quarter, closing at 9402.59 last Friday, up from 8871 at the end of June.

In large part, the continued rise has been fueled by optimistic projections on corporate performance.

Analysts now predict that corporate earnings in the six months ending next March will be about 50 percent higher than the recently completed third quarter, nearly double what forecasters were expecting only three months ago.

Another positive force on the market has been the yen's recent performance. After falling to 247 yen to the dollar Aug. 12, the Japanese currency's value appreciated by Friday to 236.1 in Tokyo.

Through mid-August, smaller- and medium-sized companies led the advance. For example, the share price of Fujitsu Fanuc, a robot maker, hit 8,000 yen on Aug. 17, more than double the level earlier in the year.

In the past few weeks, basic-industry stocks such as Mitsubishi Heavy Industries and Nippon Steel have performed well.

London

Prices on the London Stock Exchange have fallen back since the Financial Times All Share Index peaked at 466 Aug. 18. On Sept. 27, the index stood at 451, 3 percent below the peak and 2 percent below the level at the end of June.

Experts are expecting a further drop.

"I would not be surprised to see a mild shake-out in equities in the next few months," said Kenneth Inglis, head of equity research at Phillips & Drew. "However, given reasonably good dividend prospects and a modest decline in the yield on government securities, fundamental value in the market remains sound."

Figures published by Datastream show that the top performing industrial sectors in the last quarter included share prices of food retailers, up 13 percent; newspaper and publishing houses, up 9 percent, and shipping and transport share prices, up 7 percent.

Toronto

The Toronto Stock Market continued the rise that began 15 months ago. At the end of September, the exchange's 300 composite index closed at 2519.1, up about 6 percent from the end of the second quarter.

"The second leg of the bull market began in mid-August," said Peter Williams, technical analyst with McLeod Young Weir, Toronto stockbrokers.

During the quarter, the best performers were in high technology, metals and mining, oil and gas and management.

"There is a desire for earnings potential," said John Eidt, equity strategist with Merrill Lynch Royal Securities. "The market has been going back to fundamentals."

New issues have also been attractive.

Subodh Kumar, market strategist at Wood Gundy, Toronto stockbrokers, estimates that 1.8 billion Canadian dollars (about $1.46 billion) of new equity were raised in the third quarter, bringing the total for the year so far to 5.3 billion dollars, well above the 3.1 billion dollars raised in all of 1981, the previous record.

Losers in the quarter were forest products, gold shares and real estate companies.

Frankfurt

Since July, prices on the Frankfurt Stock Exchange have stabilized, following a rise in the 100-share Frankfurter Allgemeine Zeitung index to 331, its highest level since World War II. The index closed at 316.21 last Friday.

Analysts said the slowdown was reinforced by the dollar's strength against the Deutsche mark, which attracted investors into dollar-denominated securities, and by a Bundesbank decision last month to allow commercial bank refinancing rates to follow U.S. interest rates upward, drawing investors from stocks into fixed-rate securities.

In the overall market, stocks that fell outnumbered those that rose, but blue-chip automobile and chemical issues, such as Daimler-Benz and Bayerische Motorenwerke and Hoechst, Bayer and BASF, remained strong.

Bank stocks, including Dresdner Bank and Commerzbank, declined, as did machine and plant-building issues, such as Gutehoffnungshutte, which continue to suffer from West Germany's export slump.

Paris

Prices on the Paris Bourse continue to rise in spite of increasingly somber predictions about the future course of the French economy.

From a low of 96.1 reached Jan. 3, the market as measured by the French Stockbrokers Association Index has climbed steadily, reaching 138 at the close of trading on Sept. 27.

The advance in French share prices has been influenced by the general rise in equities all over the world, but brokers attribute much of the increase to a number of different actions by France's Socialist government that seem to have provided investors with compelling reasons to invest in equities.

The market advance continues to be led by a comparatively small group of well-run, export-oriented French companies that have profited from the weak franc and are relatively insulated from the domestic economy's flat performance.

A strong performer in the industrial sector has been Compagnie Générale des Eaux, France's leading private water supplier and a major maker of water-treatment equipment.

Hong Kong

Because of political uncertainty, Hong Kong is going through a difficult period.

Britain's lease from China on 90 percent of Hong Kong's territory expires in 1997. The property market has suffered as the expiration date pulled within 15 years in 1982, since many commercial mortgages run for 15 years. Investment has come to a standstill as companies and individuals wait until China indicates the type of economic and social system Hong Kong will have after 1997.

Not surprisingly, the recent movement in the Hang Seng Index reflects the British colony's troubles.

At the end of the third quarter, the index had tumbled more than 20 percent from end-of-June levels, and ended the period at just under 760, down from 964 at the end of the second quarter.

Johannesburg

Uncertainty has settled over the Johannesburg Stock Market as investors wait for a clear lead from the gold price. Trading volumes have slowed and price changes have been unusually small.

Tight foreign-currency controls continue to keep the cash of highly liquid companies in the country. Those big cash positions continue to hold up share prices. Insurance companies, pension and mutual funds have continued to expand their portfolios of gold-mining stocks in recent months.

South Africans are optimistic that the bullion market will soon strengthen as the economic recovery in the United States gathers momentum, but a tinge of nervousness has crept into the forecasts.

The value of gold-mining stocks has dipped by more than 10 percent since mid-September, when gold's price began sliding.

London Is Facing Big Changes With Hope and Some Anxiety

By William McBride
International Herald Tribune

LONDON — When Sir Nicholas Goodison announced in July that he had reached a settlement that would end the government's restraint-of-trade suit against the London Stock Exchange, a collective sigh of relief went up from the financial community.

The feeling was short-lived. After a closer look at what Sir Nicholas, the exchange's chairman, had agreed to carry out, the relief turned to concern, then to vague anxiety and finally to something near panic. "It was not a universal welcome," Sir Nicholas, 49 years old, acknowledged in an interview this week.

Yet the agreement holds the promise of finally dispelling the cloud that has hung over the exchange since the Office of Fair Trade initiated its investigation in 1979. Next Tuesday, the changes required by the agreement will be put to a vote of the exchange's 4,000 members.

Sir Nicholas is betting that the proposals will be ratified by the required 75 percent of the membership. "I shall be sorely disappointed if they don't," he said.

Most members of London's financial community are betting with Sir Nicholas. They are also betting on his ability to guide the exchange and its diverse interests through a period that is likely to see substantial changes in the structure of the exchange. "If anybody can do it, he can. We've been lucky to have him there," said an official who has been close to the talks.

The agreement between Sir Nicholas and the Department of Trade and Industry committed the exchange to ending minimum commissions and opening the governing council to nonexchange membership. The first commitment has caused the most hand-wringing among exchange members. They look back in horror at the brutal shakeout among Wall Street firms after the United States abandoned fixed commissions in 1975.

Sir Nicholas is less alarmed. "I don't foresee the kind of slaughter that took place in the United States," he said. "People exaggerate the similarities between Wall Street and London."

Neither does he share the view that negotiated commissions will lead inevitably to a breakdown in the exchange's split-trading system, called "single-capacity." Under this 75-year-old system, only "jobbers" are allowed to buy and sell shares for their own accounts as principals of the exchange. Brokers act only as agents for investors and do not trade for their accounts.

Sir Nicholas Goodison

The exchange regards the system as essential to protecting the investor because it insures that every trade will be brought to the exchange floor and made at a market price. The exchange also argues that, because the brokerage is not trading for its own account, it cannot be accused of fobbing off unwanted inventories of securities to its clients. Critics call it a form of protectionism that leads to inefficiencies and higher costs to investors.

The government has agreed to leave the single-capacity system intact and has even hinted that it would cloak it with legislative approval. But many wonder whether the system can survive in the competitive atmosphere of negotiated commissions. Under a competitive squeeze, jobbers may be tempted to deal directly with investors. Similarly, brokers might wish to deal directly with one another to pick up both their own commissions and the profits that jobbers would make on the difference between the buying and selling price.

Sir Nicholas acknowledges that among exchange members, there is a "strong belief" that single-capacity depends on having fixed commissions. In his own view, there is "not an indissoluble link, but an intimate relationship."

In describing how the broker-jobber system might evolve, he choses his words carefully: "The exchange will maintain the separation as long as it is commercially desirable and as long as the members desire."

To keep track of how the change in the commission structure is affecting trading, a monitoring committee has been sent up that includes representatives of the Bank of England, the Department of Trade and Industry and the exchange. The Bank of England is expected to ask the exchange for detailed information on commissions and to watch closely for any increase in trading away from the floor of the exchange. It will also watch for signs that the new competitive situation is undermining the financial health of members.

Indeed, the new competitive situation may test the financial structure of British brokerage firms. Compared with U.S. firms, the resources of British brokerages are meager.

Part of the reason is a web of rules on liability and ownership. Members face unlimited liability for their firms' debts, a stricture that has encouraged smallness. And a rule that limits nonmember ownership in member firms to 29.9 percent has restricted the brokerage's ability to seek outside capital.

Changes on liability and related rules are "firmly on the agenda for debate," Sir Nicholas said. But the exchange has no plans to alter the 29.9-percent rule, a change that might encourage banks and insurance companies to get into the brokerage business.

Sir Nicholas said the government has applied no pressure for the exchange to loosen its ownership constraints. But the Bank of England is thought to take a less firm position on the issue, leaving open the possibility that in the future it may support changes allowing British financial concerns to broaden their activities.

For Sir Nicholas, "the most important question" that the government must ask itself now is, "To what extent do they want the traditional lines of demarcation to be maintained?" He notes that in such countries as West Germany, banks have come to dominate the stock market to the point that the capital markets have remained comparatively small in relation to the economy.

Unlike many in London's close-knit financial community, Sir Nicholas does not see the proposals being put before the membership next week as a prelude to revolutionary change. Over the long-term, he sees "evolutionary change." In the short term, he sees "concern, worry, debate and quite a lot of maneuvering."

Wednesday's AMEX Closing

Vol. at 4 p.m. 4,470,000
Prev. 5 p.m. Vol. 4,920,000
Prev. Consolidated Close 4,920,000

Tables include the nationwide prices
Up to the closing on Wall Street

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
		A								
22⅝	7⅝	AAV	.32	2.2	13	11	14½	14⅝	14⅝	+⅛
6¼	2⅝	AIC Ph				6	3½	3½	3½	
6⅝	1⅛	ATI				84	2⅝	2⅜	2½	+⅛
12¼	2	AcmePr			9	13	6¼	6	6⅛	—⅛
19½	10⅝	ACnU s	.32	2.0	14	5	15⅝	15½	15⅝	+⅛
14½	9¼	Action s			16	114	13⅛	12⅝	12⅝	
12	5⅝	Action s	1.00t	12.7	36	32	8	7⅝	7⅝	
4⅛	1⅜	Actn wt				8	3⅝	3⅝	3⅝	—⅛
5	1⅛	AdmRs				16	4	4	4	
28⅝	15⅝	AdRus s	.15	.4	14	44	25⅛	24⅝	24⅝	—⅛
26⅝	14⅝	Adobe	.20	.9	14	50	21⅝	21⅛	21⅛	—⅝
5¼	2	AepKoCp			13	96	4¼	4	4¼	+⅛
7	4	Aeroson			3	106	4⅝	4⅝	4⅝	
33½	11	AffiHsp	.36	1.8	19	2	23⅝	23⅝	23⅝	+⅛
17½	3⅝	AfrStx			9	27	12½	12⅛	12⅛	
13½	5¼	AirExc				163	8	7⅝	7⅝	+⅛
5⅝	4⅛	Alamco			11	51	5⅛	4⅝	5⅛	+⅛
23⅝	4⅛	AlbaW	.15e	1.8	13	5	14⅝	14⅝	14⅝	—⅛
18⅝	7⅝	AlmySt		1.7		2	11⅛	11⅛	11⅛	+⅛
10⅝	5⅛	AlphaA				21	6⅛	6⅛	6⅛	—⅛
28⅝	14⅝	AlphaI s	.05	.2	28	95	20⅝	20	20⅛	—⅛
23	9⅝	AltomII	.40	1.5	12	4	13⅝	13⅝	21⅝	
1⅛	⅛	Altec				485	⅜	½	⅛	—⅛
22⅝	11⅝	Altex				224	2⅝	2	2⅛	+⅛
23½	11⅝	AltaCp				184	20⅛	19⅝	19⅝	—4⅛
29⅝	11½	AmdhI s	.20	1.1	51	1348	18½	18⅛	18⅛	+⅛
20⅝	6⅛	AmedcS	.08	.5	22	184	17⅝	16	17⅛	+1⅛
7⅝	3½	ABitr s	.15	2.9	38	22	5⅝	5⅛	5⅛	—⅛
8	2	AmCap				30	3	3	3	—⅛
39	21	ACentr	.80	2.2	9	2	37	37	37	
40⅝	12⅝	AExpwt				256	26⅝	26⅝	26⅝	+⅛
15⅝	7½	Atlanal			3	3	7⅝	7⅝	7⅝	
19⅝	9⅝	AtlRes	.52	3.2	40	20	15⅝	16⅛	16⅛	+⅛
21⅛	7⅝	AMBAs				481	9⅝	9⅝	9⅝	+⅛
18½	15⅝	Amerin	.25	.7	13	86	24⅛	23⅝	24	+½
40⅝	27⅝	AmPetr	1.20	3.2	17	25	38⅝	38⅝	38⅝	+½
20⅝	11⅛	AmTrn	.28	1.8	10	14	15⅝	15⅝	15⅝	+⅛
9	3⅝	AmWtr				3	6½	6½	6½	
12⅝	3⅝	ASCIE				30	9⅛	9	9	—⅛
11⅛	2⅛	AmWell				74	11⅛	10⅝	10⅝	—½
6⅛	3⅝	Ampal n	.12	3.1	2	122	4⅛	3⅝	3⅝	—⅛
1⅝	⅝	Amsol				39	1⅛	1⅛	1⅛	
26⅝	10⅝	AnaJob	.63t	5.3	15	64	11⅝	11	11⅛	+⅛
8⅝	3⅛	AngloE				39	6⅛	4⅝	6⅛	+⅛
27⅝	7⅛	Anthem	.03	.1	41	284	26⅝	26	26	—⅛
17⅝	13⅝	AppDig s			43	139	15⅝	15⅝	15⅝	+1⅝
7⅝	4⅛	ArgoPt				53	6⅛	5⅝	6⅛	+⅛
17⅝	6⅛	Armtrn				120	14	13	13½	+⅝
13⅝	6⅝	ArrowA	.20	1.7	15	14	12	12	12	
16⅝	5⅝	Arundl				5	7	11	10⅝	—½
14⅝	3⅛	Asmr s				1040	10⅝	10	10⅛	+⅝
13⅝	6⅝	Astrex			15	31	10⅝	10⅝	10⅝	—⅛
5	1⅛	AstroDr				13	2½	2⅛	2⅛	
4⅝	2	AtlCit				726	2½	2⅛	2⅛	—⅛
9	5	Atlas wt			7	12	7	6⅝	6⅝	—⅛
19⅝	9	AtlasV s	.20	1.3	10	43	15⅛	14⅝	15	
6⅝	6⅝	Audiot	.16b	2.6	32	197	8⅝	7⅝	7⅝	+½
44	31⅛	AutoSw	.92	2.5	20	7	36½	36⅛	36⅝	+⅛
44	17⅝	Avanel	1.40	3.2	9	34	43½	43⅝	43⅝	
		B								
2⅝	2	BAT s				131	2⅛	2⅛	2⅛	+⅛
40⅝	13½	BDM s			37	13	44⅝	43⅝	43⅝	—⅛
9⅝	5⅝	BSN n	.02a	.3	44	61	6⅝	6⅝	6⅝	—⅛
7⅝	1⅝	BTK				11	3⅝	3⅝	3⅝	
12⅝	6⅛	Badger	.20e	2.7		4	9½	9⅝	9⅝	—⅛
9½	4⅝	Baker	.08e	1.0		4	7⅝	7⅝	7⅝	
8½	5⅝	BaldwB	.32a	4.1		22	7⅝	7⅝	7⅝	—⅛
13⅝	7½	BaltyHwt				70	5⅝	5⅝	5⅝	—⅛
26⅝	19½	BanNY	1.45e	6.2		75	23⅝	23½	23⅝	—⅛
9⅝	5½	Banstr s	.40e			164	5⅝	5⅝	5⅝	+⅛
6⅝	3⅝	BnkBld	.48	5.2		3	7⅝	7⅝	7⅝	—⅛
7⅝	4	Barco	.12	2.5	12	5	4⅝	4⅝	4⅝	
6⅝	3⅝	BarrEn				44	4⅝	4⅝	4⅝	+⅛
8⅝	4⅝	Bartwd	.28	1.5	11	1	13½	13½	13½	+½
7⅝	3⅝	BaryRG				28	5⅝	6⅛	5⅝	
15⅝	7⅝	Baruch	.34t	2.5	14	13	13⅝	13⅝	13⅝	—⅛
15⅝	5⅝	Beard				146	11⅝	10⅝	10⅝	—1
9⅝	6⅛	BeatCh n			9	234	5⅝	5⅝	5⅝	—⅛
15⅝	6⅝	BeatLv				73	9⅝	9⅝	9½	+⅛
5⅝	2⅝	Beltron				2	2⅝	2⅝	2⅝	—⅛
26⅝	15½	BnkStOh	.40	1.4	20	74	27⅝	26⅝	27⅝	+1
26⅝	16	BnkStLb	.40	1.5	20	46	27⅝	27⅝	27⅝	—⅛
34⅝	5⅝	BergE s				10	13	28⅝	28⅝	+½
39½	21⅝	BergB s	.32	1.1	20	87	29⅝	28⅝	29⅝	+1⅛
6⅝	2½	Berry				40	3⅝	3⅝	3⅝	
6½	2⅝	BethCo	.49t	8.7	21	7	5⅝	5⅝	5⅝	—⅛
17⅝	8	BioCp	.60	4.3	10	57	14⅝	13⅝	14	+⅛
19⅝	12⅝	BioVs	.40b	2.3	11	5	17⅛	17	17⅛	+⅛
3⅝	1⅝	Biotrin	.15	2.7	11	12	5⅝	5½	5½	—⅛
35⅝	16⅝	BirkMil	1.28	5.9	13	25	22⅝	22⅝	22⅝	—⅛
13⅝	7⅝	BlorB			17	23	9	8⅝	8⅝	—⅛
20	7⅝	BlorA				52	17½	17⅛	17⅛	—⅛
29⅝	16	Blessng	.72	2.6	9	2	27⅛	27⅛	27⅛	
6⅝	2⅝	BlockE				190	3⅝	2⅝	2	—⅛
19⅝	6⅝	Blount s	.30	2.6	10	18	13⅝	13⅝	13⅝	—⅛
19⅝	13⅝	BlountA	.35	2.3	10	14	16⅛	15⅝	15⅝	—⅛
35⅝	26⅝	BoisCr	.05b	.3	30	186	29⅝	28⅝	29	+⅛
61⅛	14½	BoltBr s	.28	.3	41	79	57⅝	56	57⅛	+1⅛
24⅝	12⅝	BowVal	.15			27	21⅛	20⅝	21	—⅛
13⅝	6⅝	BowVa	.44	3.8	9	5	11½	11⅛	11⅛	—⅛
9⅝	3⅝	Bowmr				141	5⅛	4⅝	5	+⅛
24⅝	14	Boyne	.40	2.3	12	56	17⅛	17⅛	17⅛	
		C								
22	7⅝	CDI			13	22	22½	21⅝	22⅝	+1⅛
14⅝	5⅝	CHS	.20b	1.5	9	13	13⅝	13⅝	13⅝	+⅛
12⅛	3⅝	CMI Cp				68	6⅛	5⅛	6⅛	+⅛
29⅝	16	CRS	.34	1.4	11	52	24⅛	23⅝	24⅛	+⅛
34⅝	7⅛	CasaNJ			24	34	19⅝	19	19⅛	—⅛
26⅝	12⅝	CattPC	.60	3.4		1	24⅝	24⅝	24⅝	+⅛
12⅝	6⅝	CalRE	1.12	10.1	13	58	11⅝	11	11⅝	+⅛
13½	8	Calgrp n			9	24	9⅝	9	9	+⅛
14⅝	9⅝	Camco	.20	1.7	7	25	12	14⅝	14⅝	—⅛
7	3⅝	Cannel				1	3⅝	6⅛	3⅝	
22⅝	7⅝	CMor s n				196	21⅝	21	21⅝	+⅛
26½	16⅝	CdnOil	.34			57	22	22⅝	22⅝	—⅛
38½	24	CWin n			12	4	27⅝	27⅝	27⅝	—⅛
7⅝	3	Cardiff				10	6⅛	6⅛	6⅛	
5⅝	3	Cardil				46	4⅝	4⅛	4⅛	+⅛
18⅝	10⅝	Caress			14	3	12⅝	12½	12½	—⅛
14⅝	10⅝	CasA n			16	5	10⅝	10⅝	10⅝	—⅛
25⅝	6	Caress s	.40	1.7	11	88	26	23⅛	24	+⅛
44	27	CaroPr pf	5.00	12.1		40z	41⅛	41⅛	41⅛	—⅛
12⅝	7⅝	Casblns			26	62	6⅝	6	6⅛	
15½	12½	CastAM	.48	3.4	17	5	17⅝	17⅝	17⅝	—⅛
27⅝	25⅝	CastPd	2.20a	7.3		12	30⅝	30⅛	30⅝	+⅛
16⅝	8⅝	Castlin n			14	7	9⅝	9⅝	9⅝	—⅛
9⅝	3⅝	CelcCs			13	4	6⅝	6⅛	6⅝	
2	⅝	Cement				30	1⅛	1⅛	1⅛	—⅛
2⅝	1½	Centl pf				2	1⅝	1⅝	1⅝	—⅛
30	24⅛	CenMpf	3.50	12.0		40z	26⅝	26⅝	26⅝	—⅛
16	6⅝	Centle	1.25e	12.5		41	10⅝	10⅝	10⅝	+⅛
12⅝	5⅝	Cetec	.14	1.4	26	52	9⅝	9⅝	9⅝	—⅛
23⅝	8⅝	ChadWl	.80e	4.1	13	9	19⅝	19½	19½	—⅛
7⅝	3	ChmpH			34	242	5½	6⅛	5⅝	—⅛
30⅝	15⅝	ChrMA s			16	243	28⅝	28⅝	28⅝	—½
25⅝	15⅝	ChrMB s			10	5	22⅝	22½	22⅝	—⅛
5⅝	1⅝	ChtOil s				5	3⅝	2	2⅝	+⅛
26⅝	4½	Chitin s	.14	.6	37	61	23⅝	23⅝	23⅝	+⅛
25	12⅝	CircK	.72	3.4	14	117	22	21⅝	22	+⅛
24	13⅝	CitFed s	1.08	4.8	7	29	23⅝	19⅝	23⅝	+⅛
22½	12	ClyGas	1.20	7.1	7	2	17	16⅝	16⅝	—⅛
25⅝	12	Clorox	.80e	2.4	11	4	28⅝	28⅝	28⅝	
13½	6⅝	Clopay s	.44	3.4	19	2	13	12⅝	12⅝	
21½	12⅝	Closur	.14	1.1	21	12	13⅝	13	13	—⅛
28⅝	6⅝	CoastFn			21	125	9⅝	9⅝	9⅝	+1⅛
16⅝	6⅝	Cehu	.14	2.3	14	37	7⅛	7	7	—⅛
32⅝	23⅝	Comin s	.48			11	48⅝	48⅝	48⅝	—⅛
35⅝	17⅝	ComAlt	.30	1.5	14	2	32⅝	32⅝	32⅝	—⅛
13⅝	5⅝	ComdrC			191	167	7⅝	7½	7⅝	—⅛
11	4⅝	Compo	.20	2.1		25	5⅝	9⅝	9⅝	
10	6⅝	ComsD			110	10	6⅝	6½	6⅝	+⅛
25⅝	10⅝	CmpCs			45	140	19⅝	19	19⅝	—⅛
13⅝	9	CmpFd n				1	9⅝	9⅝	9⅝	+⅛
9⅝	3⅝	ConcDf			9	1	6⅝	6⅝	6⅝	+⅛
22⅝	5⅝	Condec	.36t	1.8		204	21	20⅝	20⅝	—⅛
26⅝	12⅝	ConrTs			16	3	25⅝	25⅝	25⅝	+⅛
12⅝	5⅝	Conrad			57	154	9⅝	9⅝	9⅝	+⅛
5⅝	1⅛	Cons wt				16	6⅝	5⅝	5⅝	—⅛
23½	13⅝	Conrack	.40	2.2	22	37	24	23⅝	24	+⅝
27⅝	11⅝	Contrl	.40	1.4	13	41	29⅝	29⅝	29⅝	
14⅝	7⅝	ContDC			107	28	7⅝	7⅝	7⅝	
2	⅝	ContDG wt				10	1⅝	1⅝	1⅝	
3	2⅝	vtContA				445	4⅝	5⅝	5⅝	
12	8½	vtContA pf	.211			57	8⅝	8⅝	8⅝	+⅛
34⅝	10⅝	ContMtl			28	48	36⅝	35⅝	36⅝	+⅛
10⅝	6⅝	CookInt				1	8½	8½	8½	+⅛
8½	2	Coradn				32	5⅝	5⅝	5⅝	+⅛
20⅝	9⅝	CoreLb	.16	1.0	45	10	16⅝	16	16	
17⅝	9⅝	CorCrd n	.24e	2.4	39	123	10⅝	9⅝	10⅝	+1⅛
15⅝	6⅝	CourInd	.11e	8.0	8	155	1⅝	1⅝	1⅝	
5⅝	2½	Crwfrd				32	3⅝	3⅝	3⅝	
9⅝	4⅝	CrstPd	.10e	1.3	12	12	7⅝	7⅝	7⅝	+⅛
19⅝	10⅝	Cromwl				27	12⅝	12⅝	12⅝	
35⅝	23½	Crown s	1.20	3.8	27	44	35	34⅝	34⅝	—⅛
30	13⅝	CwnCP	.80	3.7	21	82	22⅝	21⅛	21½	—⅛
15⅝	5	Crown	.28	2.1	13	9	13⅝	13⅛	13⅛	—⅛
9⅝	6⅛	CrutcR			10	182	5⅝	6⅝	5⅝	
27	11½	CrystB	.36	2.7		207	13⅝	13⅝	13⅝	—⅛
34⅝	13	Cubic	.36	1.3	13	42	28	27⅛	27⅝	+⅛
34⅝	28⅝	CurtisCs	1.84	2.9	10	9	36⅝	36⅝	36⅝	
16⅝	9⅝	CustEn				12	9⅝	9⅝	9⅝	+⅛
6	3⅝	Cyberm				615	3⅝	3⅝	3⅝	+⅛
19	12	Cyprus	1.80	10.1		4	17⅝	17⅝	17⅝	
		D								
4½	2⅝	DWG	.30t	9.0	8	96	4	3⅝	3⅝	—⅛
17	5⅝	DaleEn	.32	2.1	11	13	15⅝	15⅝	15⅝	
12½	5⅝	DalmP			19	39	16⅝	16⅝	16⅝	—⅛
7½	2⅝	Dam wtO				26	4⅝	4⅝	4⅝	—⅛
21⅛	24½	Damsn pf	2.75	12.2		3	30⅝	30⅝	30⅝	
30⅝	16⅝	DatPd s	.14	.3	39	470	30⅝	30	30⅝	
12⅝	6⅝	Datarm			14	28	10⅝	10⅝	10⅝	—⅛
12⅝	3⅝	DaRosa				13	10	7⅝	7⅝	
4⅝	2	Decorat				179	2	2⅝	2⅝	—⅛
24⅝	12	DelLb s	.48	2.3	10	1	20½	20½	20½	
16⅝	11⅝	DelWd	1.68	11.6	9	12	14⅝	14⅝	14⅝	
14⅝	6⅝	DelHmd				82	12⅝	11	11½	—⅛
36	24⅝	Dexel	1.40a	4.7	7	2	30	30	30	+⅛
10⅝	4½	Dexstr n	.89t	10.0	15	9	8⅝	5⅝	8⅝	+⅛
13	3⅝	Dexsen	.40t	4.6	30	12	11	10⅝	10⅝	—⅛
20⅝	9	DevCo s				115	15	15	15	
13⅝	9½	DiagA n			17	24	10	9⅝	9⅝	—⅛
11⅝	9⅝	DiagB n			17	27	10	9⅝	9⅝	—⅛
12⅝	9⅝	DiaSha n				41	10	9⅝	10	
16⅝	7⅝	Diskon			6	14	10⅝	10	10	
37	19⅝	Dillard s	.30	.5	12	10	55⅝	55⅝	55⅝	
8⅝	4⅝	Diodes				48	5⅝	5⅝	5⅝	—⅛
7⅝	3⅛	Dibco	.05e	1.8	22	50	5	4⅝	5	+⅛
5⅝	2⅝	DomPb				2228	3⅝	3⅝	3⅝	+⅛
17⅝	9⅝	DonBas	.16	1.1	17	57	14⅝	14⅝	14⅝	—⅛
15⅝	8⅝	Dahly	.33	2.8	15	4	11⅝	11⅝	11⅝	+⅛
14⅝	6⅝	Downey				11	11⅝	11⅝	11⅝	+⅛
8½	3⅝	Driller				35	4⅝	4⅝	4⅝	+⅛
14⅝	8⅝	DrtWrk				14	14	14	14	—⅛
47½	25⅝	Ducom	.70	1.6	28	56	38⅝	37⅝	38⅝	+⅛
1⅛	⅝	Dunlap	.04e	4.4		411	⅝	⅝	⅝	
26	15⅝	Dupix	.76	3.8	11	3	25⅝	25⅝	25⅝	
28⅝	16⅝	DurTwl	.40b	2.2	20	10	17⅝	17⅝	17⅝	+⅛
15⅝	8⅝	DynAmr	.25p	1.8	11	202	14⅝	13⅝	14⅝	+⅛
16⅝	12	Dynmcs	.70	3.8	20	45	18⅝	18½	18⅝	+⅛
		E								
17⅝	5⅝	EAC	.48	3.3	9	37	12⅝	13	12	—⅛
15⅝	7⅝	EECO	.32	2.2		82	14⅝	14⅝	14⅝	+⅛
14⅝	10⅝	EsbnCo	.68	5.0	43	6	13⅝	13⅝	13⅝	—⅛
37⅝	21	EastGp	2.20e	6.5	14	8x	35⅝	35⅝	35½	+⅛
34½	18⅝	EDO	.28	1.1		30	25⅝	25⅝	25⅝	—⅛
7⅛	1⅝	ElAwrD				67	4½	4	4½	+⅛
24⅝	17⅝	ElAlAn	1.40	7.5		12	19⅝	19⅝	19⅝	—⅛
5⅝	2⅝	ElecSd				14	3	4⅝	3	+⅛
14⅝	5⅛	Elsinor			13	166	10⅝	10	10	—⅛
3	2⅝	EmCor			7	2	6⅝	4⅝	5⅝	+⅛
7⅝	3⅝	EmMstr				10	7½	1½	1⅝	
7⅛	2⅝	EngvNx			36	199	7	6⅝	7	
12⅝	3⅝	EnviRs				31	3⅛	3⅝	3⅝	
5⅝	2⅝	EnrSrv				7	3⅝	3⅝	3⅝	
7⅝	4⅝	Enstr pf				25	5⅝	5⅝	5⅝	
13½	4⅝	Ent Ind			8	21	10	10	10	
97½	22⅛	Epsgy	1.00	1.2	13	6	84⅝	83⅝	84⅝	+1⅝
27⅝	20⅝	EsnRd	.72a	2.6	7	14	28	27½	27⅝	+⅛
31⅛	12⅝	EtzLov	.20e	.7	17	14	27⅛	26⅝	27⅛	
15⅝	8⅝	EvcIR s			14	30	9⅛	8⅝	9⅛	—⅛
12⅝	8⅝	EvrJ B	.30	1.1	127	5	6⅝	6⅝	6⅝	+⅛
13⅝	8⅝	EvrJ A	.29	2.2	127	27	9	8⅝	8⅝	—⅛
15	6⅝	ExarCr	.16a	.8	32	25	12⅛	12⅛	12⅛	
6⅝	1⅛	ExaSv				43	1	2	2	+⅛
		F								
6⅝	3	FGI				4	6⅝	5⅝	5⅝	
13⅝	7	FPAs				79	14	13½	13⅝	—⅛
19⅝	7⅝	Fabind s			5	46	15⅝	15	15⅝	+⅛
17½	17⅝	FedRt	1.24	7.1	19	107	17⅝	17	17½	
1	⅝	FdRes v			29	3	⅝	⅝	⅝	—⅛
25⅝	12⅝	Felmnt	.16	.5	16	110	32	27⅝	27⅝	+½
25⅝	22⅝	FArCo n	.68	2.1	12	4	22⅝	23⅛	23⅝	+½
14	5⅝	FtCnn	1.08a	9.0	7	1	11⅝	11⅝	11⅝	+⅛
23⅝	11⅝	FtWyms	.80	3.7	9	14	14	14	14	
13½	4⅝	FtCbCr	.48	3.8	100	43b	12⅝	13	13	
14⅝	7⅝	FtHlth	.40	4.0	16	11	12	12⅛	12⅛	
12	5⅝	Flaktck	.10	1.6	17	61	10⅝	9⅝	10⅝	+1⅛
17½	9⅝	Fletcr			13	130	13⅝	13⅝	13⅝	—⅛
7⅝	2⅝	Felder				28	4⅝	4⅝	4⅝	+½
4⅝	2⅝	FelmR				213	2	2	2	
5	1⅝	FerroCo			42	70	8⅝	5⅝	5⅝	—⅛
10⅝	5⅝	FlGlnc				48	7⅛	7⅛	7⅛	+⅛
9	3⅝	FlbrAv				1	5⅝	5½	5⅝	—⅛
6	2⅝	FldHrt	.04r		40	2	3⅝	3⅝	3⅝	—⅛
20⅛	12⅝	Fleetns	.16	1.2	14	28	13	12⅝	13	+⅛
14	6⅝	FoltyCo	.24	2.3	5	7	10⅝	10⅝	10⅝	
31⅛	19½	Formt	1.00	4.6	16	8	25⅝	25⅝	25⅝	—⅛
13⅝	10⅝	FortHs			27	161	22⅝	25⅝	26⅝	+½
19	5⅝	FrnJwl				5	13⅝	14	13⅝	
15⅝	10⅝	FrsOTr	2.08a	19.6		344	10⅝	10⅝	10⅝	+⅛
13⅝	9⅝	FrvnIr n				11	10⅝	10⅝	10⅝	
18½	2	FrznFd			63	10	7⅛	7½	7⅝	—⅛
23⅝	23⅝	FtUtrA	1.24	5.9	13	32	21⅝	21⅛	21½	
37⅝	23⅝	FtBnkB	1.24	4.1	13	222	31	30⅝	30⅝	—1⅛
28	8⅝	FtuGlN	.40	2.2	11	1	17⅝	17½	17½	
20⅝	12⅝	FurrWdy	.32	2.2	18	13	19⅝	19⅝	19⅝	+⅛
7⅝	5⅝	FurnTl	.12	.7	25	19	17⅝	17½	17⅝	+⅛
16⅝	5⅝	Husky s	.15			76	9⅛	5⅝	9	—⅛
		G								
10⅝	4⅝	GNC En				8	10⅝	10	10⅝	—⅛
6½	3

Lloyd's Sets New Disclosure Rules For Underwriters Following Scandal

By Barnaby J. Feder

New York Times Service

LONDON — Continuing its effort to shake off the impact of last year's scandals, Lloyd's of London has announced new financial disclosure rules for underwriters working at the insurance exchange. It also said that it will acquire Toplis & Harding Inc., a Chicago-based claims adjuster.

Toplis, which has been doing business with Lloyd's members for nearly all of its 60-year history, will be purchased for $10 million from Employers Reinsurance Corp., a subsidiary of Getty Oil Co., the announcement Tuesday said.

The acquisition of Toplis is Lloyd's first direct investment in the United States and is intended to end years of complaints about delays in handling claims in North America, according to Ian Davison, Lloyd's chief executive.

About 40 percent of the premium income earned at Lloyd's, about $2 billion last year, comes from the United States and another 10 percent from Canada.

The new disclosure rules approved Tuesday by the governing council went further than recommended by a study committee set up in the wake of the scandals, which involved a variety of practices that appeared to benefit underwriters at the expense of the syndicates of individual investors they represent.

The investors, koown as "names," pledge their wealth to pay off claims against policies accepted on their behalf in the giant Lloyd's trading room by the underwriters, some of whom were said to have directed lucrative policies to syndicates in which they had special interests or to offshore reinsurance companies in which they were investors or officers.

The new disclosure rules will give both the names and the public an unprecedented amount of information about the inner workings of the insurance market and the outside business interests of the underwriters, their relatives and their business associates.

For instance, in the past an underwriter might resell a large proportion of the insurance he had accepted to an offshore insurance company in the Bahamas, the Cayman Islands or some similar tax haven, in which the underwriter or other members of his firm had an interest.

Before promulgation of the new rules, investors would not have known of the interest in the offshore companies. The new rule is intended to make sure that any such investments can be defended as sound reinsurance practices by making it clear where the underwriters' outside interests might also be involved.

The study committee had recommended that only the names of the companies in which underwriters had outside interests be disclosed. The ruling council decided, however, that the exact financial stake involved in those interests also be disclosed.

"We are unwrapping the lot," said Mr. Davison, the former accounting executive brought in last winter to run Lloyd's as part of the reform. "Two years ago, it would have been unthinkable."

The incident that led to the changes involved Ian Posgate, Lloyd's most successful underwriter, and fellow executives in the Alexander Howden Group. When Howden was taken over last year by Alexander & Alexander, the American company discovered questionable deals and accounting practices that forced it to add $50 million to Howden's reserves.

Similar problems with other syndicates soon arose, leading to a wave of administrative and regulatory reforms, all self-imposed in order to discourage the government from moving to end three centuries of self-regulation.

Daiwa and Tubel Set Up Joint Firm in Belgium

Reuters

TOKYO — Daiwa Steel Tube Industries Co. announced Wednesday that it and Tubel, a Belgian steel tube maker, have set up a joint venture company in Mons, Belgium, to produce oxygen lance pipes to be used for steel-making furnaces.

Capitalized at 50 million Belgian francs ($917,000), the joint compaoy, called Daitube, is 51 percent owned by Daiwa, 46 percent by Tubel and 3 percent by Société Régionale d'Investissement de Wallonie.

Brazil Seeks Extension on Debt Payment

The Associated Press

BRASILIA — The government has asked foreign banks to extend deadlines for repayment of $12 billion in loans, the Central Bank said Wednesday.

Central Bank President Affonso Pastore was to meet with bankers Thursday in Washington to discuss the proposal, bank spokesman Reinaldo Ferreira said.

Brazil wants to renegotiate $5.5 billion in debt principal due next year and extend the period for repayment of $6.5 billion in new bank loans anoounced at a meeting last month of the International Monetary Fund in Washington, Mr. Ferreira said.

Brazil is struggling to pay a $90 billion foreign debt. It is nearly $3 billion behind on payments this year. Major newspapers said Mr. Pastore would ask for nine years to repay the debts and five years' grace period, during which Brazil would pay only interest. The Central Bank would not confirm the reports.

Gazeta Mercantil, the nation's most respected financial daily, reported that the loan extension talks were "well advanced" and said an announcement would be made at the end of Thursday's meeting at IMF headquarters.

World Bank Initiates Study of Needs In Advance of Bid to Build Its Capital

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — The World Bank, the biggest single source of money for debt-plagued countries of the Third World, has begun a broad country-by-country analysis of their needs that would serve as a guide to increasing the bank's capital.

The study, which is to be completed next spring, was endorsed last week by the bank's board of governors at its joint annual meeting with the International Monetary Fund, its sister lending institution of the 1944 Bretton Woods Conference.

It is part of the planning by the World Bank for longer-range solutions to the problems of indebtedness worldwide: More than $700 billion is owed by developing and East European countries to foreign creditors.

To one of the governors, R.D. Muldoon, prime minister and minister of finance of New Zealand, such an approach is necessary to bring an institution "of the 1940s into the 1980s and the 21st century."

"If we fail in this, we run a high risk of the recovery being aborted or, in any case, of it not being shared by those who need it most desperately," Mr. Muldoon said.

The bank tended to be overshadowed last week by the IMF, which is the pivotal institution in providing short-term financial assistance to countries in need of cash to offset balance of payments deficits.

The World Bank assists projects such as irrigation, agricultural stations, harbors, roads and schools that strengthen an economy over the longer term and give it the earning capacity to pay for necessary imports and the servicing of its debt.

The finance ministers and central bank governors from the 146 member countries focused much of their attention on the immediate financial needs of the IMF, which is itself short of cash, not only because of the heavy demands placed on it recently but because of a delay in Congress in approving additional funds for the fund.

The governors also endorsed efforts by bank's president, A.W. Clausen, to start the long process of negotiations for a capital increase that would govern lending in the second half of the 1980s and beyond.

Last year, the bank committed loans totaling $15.3 billion, including $3.3 billion made by its affiliate, the International Development Association, which makes interest-free loans to 50 of the poorest countries, and $845 million by the International Finance Corp., which supports private enterprise in 80 countries.

Mr. Clausen and his associates plan to increase loans by about 5 percent a year, but at that rate lending will near the bank's ceiling by 1986.

The bank's rules prevent it from lending more than its capital and reserves. By 1986, paid-in and pledged capital by the members will total $80 billion, barring capital from other sources.

But while the debate on a general capital increase gets under way, the bank has already won endorsement from all members on a special capital increase of between $3 billion and $8 billion over the next five years.

Argentina Orders New Restraints on Foreign Exchange

Reuters

BUENOS AIRES — Argentina's central bank has ordered commercial banks to stop accepting foreign curreocy in cash for transfer abroad, banking sources said Wednesday.

Also Wednesday, Julio González del Solar, the country's central bank president, was freed without being charged, following his arrest Monday on orders of a judge investigating alleged irregularities in foreign-debt rescheduling negotiations, finance ministry sources said.

The bank, under the control of its vice president, Luis Mey, since Monday's arrest of Mr. González del Solar, also prohibited the commercial banks from increasing their foreign-exchange holdings above existing levels.

The sources said the measures indicated how low the central bank's dollar reserves had fallen. The bank was expected shortly to limit the withdrawal of the equivalent of $400 million to $500 million worth of foreign-currency deposits in the domestic banking system, the sources said.

3 Eurobonds Totaling $250 Million Launched

By Carl Gewirtz

International Herald Tribune

PARIS — Three dollar Eurobonds worth a total $250 million and a warrants issue to buy $100 millioo worth of bonds were launched Wednesday amid reports that a $500-million jumbo issue for Canada was waiting in the wings.

At the same time, West German bankers announced they would market six issues worth 950 million Deutsche marks in the month to Nov. 8, slightly more than the 780 million DM launched in the month ended Tuesday.

The talk of the dollar market was a $100-million, 10-year offering from Rio Tinto-Zinc. The issue which was originally intended to be for $150 million had to be cut due to market resistance to the tight terms — a coupon of 11⅝ percent offered at par.

Before the issue was reduced in size the bonds were indicated at a steep discount of 3¼ points; after the reduction the bonds were indicated at a discount of 2½ points. Even at that level, the 11 managers offering the bonds would be losing money as the commissions totaled 2¼ percent.

Farm Credit Corp. of Canada also offered 10-year bonds, but the issue was smaller — only $75 million — and priced slightly more generously at a discount of 99½ bearing a coupon of 11⅝ percent. The bonds were quoted at a discount of 1⅛ points.

Gasunie of the Netherlands tapped the market for $75 million. Its seven-year ootes bearing a coupon of 11¼ percent were priced at 99¾ and were quoted at 98¾.

Caisse Centrale de Cooperation Economique, guaraoteed by France, sold 100,000 warrants each of which can buy a $1,000 bond at par bearing a coupon of 11½ percent. The bonds will be dated Jan. 2, 1984 and the warrant expires Dec. 15, 1984.

The underlying bond will have a maturity of 15 years, will be callable only after 10 years and then at a premium of 102½. A sinking fund starting in the ninth years will produce an average life of 12 years.

The warrants were bought by a "club" of eight banks and were initially offered at $20 apiece. Investors buying the warrant at that price and later exercising it would effectively be paying $1,020 for each $1,000 bond, reducing the yield to maturity to 11.22 percent.

The expected Canadian issue is expected to be for five years and carry a coupon of 11 percent.

In the DM sector, the calendar opens next week with a 100 million DM private placement for the European Investment Bank. On Oct. 12, the Asian Development Bank will offer 200 million DM; Oct. 17 Finland will offer 150 million DM; Oct. 20 the Council of Europe will sell 150 million DM.

On Nov. 7, Barclays Bank is to offer 250 million DM and on Nov. 8 the French railway, SNCF, will close the calendar with an offering of 100 million DM.

U.S. Future Prices Oct. 5

Grains

	Open	High	Low	Close	Chg
WHEAT					
5,000 bu minimum-dollars per bushel					
Dec	3.46	3.49	3.45½	3.48½	+.02
Mar	3.81	3.83½	3.80½	3.83	+.01½
May	3.86½	3.89	3.86	3.89	+.01¼
Jul	3.78	3.80¼	3.77	3.79½	+.00½
Sep	3.86	3.87½	3.85	3.87¼	
Dec	3.98½	3.99	3.96½	3.99	
Est. Sales		Prev. Sales 9,511			
Prev. Day Open Int. 65,109 off 217					
CORN					
5,000 bu minimum-dollars per bushel					
Dec	3.45½	3.51½	3.43½	3.51	+.04¼
Mar	3.48	3.53¼	3.46¼	3.53¼	+.02½
May	3.50	3.55	3.48½	3.54¾	+.02¾
Jul	3.49	3.53¾	3.47	3.53	+.02¾
Sep	3.24	3.27½	3.22	3.27¼	+.02¼
Dec	3.01	3.05	3.00	3.04¼	+.02½
Est. Sales		Prev. Sales 44,686			
Prev. Day Open Int. 227,723 up 424					
SOYBEANS					
5,000 bu minimum-dollars per bushel					
Nov	8.26	8.40	8.16	8.39	+.10
Jan	8.36	8.54	8.30	8.51	+.10½
Mar	8.47	8.65	8.41½	8.64	+.11¾
May	8.48	8.64	8.43	8.63	+.09½
Jul	8.43	8.59	8.38	8.57½	+.08½
Aug	8.25	8.36	8.13	8.30½	+.09½
Sep	7.50	7.59	7.47	7.55¼	+.04¼
Nov	6.77	6.87	6.74	6.85½	+.05
May	.55	.55	.55	.55	
Est. Sales		Prev. Sales 83,001			
Prev. Day Open Int. 151,429 up 2,242					
SOYBEAN MEAL					
200 tons-dollars per ton					
Oct	222.00	227.00	221.00	227.00	+2.70
Dec	227.00	232.50	226.00	232.20	+3.00
Jan	229.00	233.50	227.00	233.20	+2.90
Mar	230.50	235.50	228.50	234.20	+2.30
May	232.00	236.00	229.00	235.30	+2.20
Jul	231.50	236.50	229.50	236.00	+2.00
Aug	225.50	230.00	223.50	229.80	+3.00
Sep	214.00	220.00	214.00	219.50	
Oct	195.00	199.00	193.00	199.00	—4.00
Dec	193.00	202.00	192.00	201.50	+2.50
Est. Sales		Prev. Sales 15,059			
Prev. Day Open Int. 62,805 off 1,128					
SOYBEAN OIL					
60,000 lbs-dollars per 100 lbs.					
Oct	29.45	30.23	29.40	30.12	+.19
Dec	30.05	30.65	29.78	30.50	—.05
Jan	30.20	30.65	29.90	30.52	—.05
Mar	30.15	30.40	29.65	30.28	—.07
May	29.40	29.70	29.05	29.56	—.05
Jul	28.65	28.78	28.20	28.77	—.08
Aug	27.03	27.50	27.00	27.37	+.34
Sep	26.25	26.25	25.50	26.00	
Oct	25.00	25.00	24.10	24.70	—.05
Dec	24.24	24.25	23.98	24.05	—.18
Est. Sales		Prev. Sales 17,057			
Prev. Day Open Int. 75,826 up 1,265					
OATS					
5,000 bu minimum-dollars per bushel					
Dec	1.85¾	1.89	1.85	1.88¾	+.03¼
Mar	1.94¾	1.98¼	1.94	1.98	+.03
May	1.99	2.03¼	1.99	2.03¼	+.02¾
Jul	2.06	2.06¾	2.05½	2.06¾	+.00¾
Sep	2.07	2.09½	2.07	2.09½	+.01
Est. Sales		Prev. Sales 1,265			
Prev. Day Open Int. 8,267 off 113					

Livestock

	Open	High	Low	Close	Chg
CATTLE					
40,000 lbs.- cents per lb.					
Oct	60.85	61.20	60.40	61.15	+.30
Dec	61.10	61.50	60.75	60.95	—.15
Feb	60.95	61.25	60.50	60.62	—.48
Apr	63.40	63.55	62.75	63.00	—.35
Jun	65.25	65.47	64.72	64.97	—.40
Aug	64.50	64.50	63.75	64.05	—.35
Est. Sales 13,963		Prev. Sales 18,552			
Prev. Day Open Int. 53,367 up 102					
FEEDER CATTLE					
44,000 lbs.- cents per lb.					
Oct	59.55	59.85	59.30	59.55	+.18
Nov	61.37	61.67	60.70	61.02	—.35
Jan	63.90	63.90	63.40	63.45	—.45
Mar	64.95	65.05	64.60	64.60	—.35
Apr	65.40	65.40	65.00	65.00	—.25
May	64.70	64.90	64.60	64.40	—.30
Aug	64.90	64.90	64.70	64.40	—.30
Est. Sales 1,545		Prev. Sales 1,906			
Prev. Day Open Int. 9,202 off 41					
HOGS					
30,000 lbs.- cents per lb.					
Oct	41.00	42.15	41.00	42.10	+1.30
Dec	40.75	41.95	40.75	41.87	+1.06
Feb	43.70	45.00	43.70	44.95	+.93
Apr	44.25	45.20	44.25	45.20	+.65
Jun	49.80	50.50	49.70	50.42	+.57
Jul	51.55	52.25	51.50	52.15	+.30
Aug	41.00	51.60	50.90	51.50	+.40
Oct	50.75	50.75	50.70	50.90	+.25
Dec	52.30	52.30	52.30	52.45	+.10
Est. Sales 8,917		Prev. Sales 6,440			
Prev. Day Open Int. 32,848 off 577					
PORK BELLIES					
38,000 lbs.- cents per lb.					
Feb	67.60	59.47	57.40	59.47	+2.00
Mar	57.75	59.75	57.60	59.75	+2.00
May	59.50	61.40	59.50	61.40	+2.00
Jul	60.45	62.57	60.45	62.42	+1.85
Aug	59.60	61.50	59.50	60.90	+1.25
Est. Sales 6,610		Prev. Sales 5,823			
Prev. Day Open Int. 16,494 up 244					

Food

	Open	High	Low	Settle	Chg.
COFFEE C					
37,500 lbs.- cents per lb.					
Dec	141.70	142.00	140.25	141.34	+.22
Mar	136.50	134.75	136.45	136.27	—.13
May	132.30	135.90	131.50	132.41	+.11
Jul	130.00	130.00	128.75	129.50	+.17
Sep	127.00	127.50	126.90	127.25	—.25
Dec	125.00	125.25	125.00	125.25	+.85
Mar	124.00	124.00	123.50	123.63	+.50
Est. Sales		Prev. Sales 2,852			
Prev. Day Open Int. 9,576 up 67					
SUGARWORLD 11					
112,000 lbs.- cents per lb.					
Jan	11.05	11.05	10.73	11.00	+.02
Mar	11.49	11.56	11.27	11.44	
May	11.84	11.90	11.58	11.79	
Jul	12.12	12.16	11.90	12.06	—.02
Sep	12.28	12.38	12.18	12.26	—.04
Oct	12.51	12.55	12.30	12.44	—.03
Jun	12.60	12.60	12.60	12.63	+.07
Mar				12.77	+.07
Est. Sales 7,889		Prev. Sales 12,945			
Prev. Day Open Int. 79,153 up 1,231					
COCOA					
10 metric tons- $ per ton					
Dec	2023	2065	2018	2062	+69
Mar	2058	2086	2039	2085	+66
May	2065	2100	2040	2100	+52
Jul	2090	2114	2090	2101	+52
Sep	2100	2114	2100	2114	+52
Dec	2132	2132	2122	2132	+52
Est. Sales		Prev. Sales 4,061			
Prev. Day Open Int. 27,946 off 190					
ORANGE JUICE					
15,000 lbs.- cents per lb.					
Nov	119.60	119.80	119.45	119.50	+.20
Jan	114.90	115.80	114.40	114.70	+.20
Mar	112.70	113.00	112.40	112.40	—.10
May	111.50	112.10	111.50	111.60	—.60
Jul	112.00	112.00	111.40	111.30	—.30
Sep	111.65	111.65	111.65	111.40	—.30
Nov				110.10	—.40
Jan				110.00	—.45
Mar				110.00	—.45
Est. Sales		Prev. Sales 150			
Prev. Day Open Int. 6,432 up 148					

Metals

	Open	High	Low	Settle	Chg.
COPPER					
25,000 lbs.- cents per lb.					
Oct	64.70	65.05	64.70	64.75	+.75
Nov	65.20	65.20	65.20	65.20	+.75
Dec	65.00	66.25	65.00	65.85	+.75
Jan	66.45	66.60	66.40	66.50	+.75
Mar	67.05	68.25	67.00	67.85	+.75
May	68.40	69.55	68.35	69.15	+.75
Jul	69.80	70.70	69.65	70.50	+.80
Sep	71.10	72.25	70.95	71.00	+.85
Dec	73.25	74.00	73.15	73.85	+.85
Jan	74.40	74.50	74.40	74.50	+.85
Mar	75.05	75.90	75.05	75.85	+.85
May	76.40	17.15	76.40	77.15	+.85
Jul	78.00	78.70	17.80	78.45	+.85
Est. Sales		Prev. Sales 14,180			
Prev. Day Open Int. 104,948 off 1,865					
SILVER					
5,000 troy oz.- cents per troy oz.					
Oct	989.0	1000.0	989.0	1036.3	+24.8
Nov	1041.6	1041.6	1041.6	1047.6	+24.1
Dec	1000.0	1053.0	992.0	1050.8	+24.0
Jan	1005.0	1058.5	1005.0	1058.3	+23.7
Mar	1047.0	1077.0	1017.0	1075.3	+23.3
May	1050.0	1096.0	1040.0	1093.6	+23.1
Jul	1052.0	1111.9	1050.0	1111.9	+22.9
Sep	1068.0	1130.2	1065.0	1130.2	+22.2
Dec	1110.0	1163.0	1100.0	1159.5	+21.5
Jan	1169.1	1169.1	1169.1	1169.1	+21.1
Mar	1163.0	1188.0	1163.0	1188.2	+20.2
May	1207.3	1207.3	1207.3	1207.3	+19.3
Jul	1190.0	1226.4	1190.0	1226.4	+18.4
Est. Sales		Prev. Sales 31,884			
Prev. Day Open Int. 51,040 off 2,003					
PLATINUM					
50 troy oz.- dollars per troy oz.					
Oct	385.00	401.00	385.00	400.90	+9.40
Dec				407.10	
Jan	393.50	411.80	393.50	409.90	+9.00
Apr	400.00	418.00	400.00	415.70	+9.00
Jul	408.50	422.00	408.50	423.50	+9.00
Oct	420.00	422.00	420.00	431.50	+9.80
Est. Sales		Prev. Sales 4,460			
Prev. Day Open Int. 14,958 off 284					
PALLADIUM					
100 troy oz- dollars per oz					
Oct	128.75	129.00	128.75	132.45	+5.20
Dec	124.00	133.50	123.50	132.45	+4.45
Mar	125.00	133.00	124.25	133.20	+4.45
Jun	126.00	134.00	126.00	134.30	+4.45
Sep	125.20	130.50	125.00	135.40	+4.45
Dec				136.75	+4.45
Est. Sales		Prev. Sales 1,869			
Prev. Day Open Int. 8,898 off 198					
GOLD					
100 troy oz.- dollars per troy oz.					
Oct	386.50	397.50	386.50	397.20	+3.60
Nov	398.00	398.00	398.00	399.10	+3.50
Dec	392.50	403.40	391.80	402.30	+3.50
Feb	400.00	409.90	397.50	408.70	+3.50
Apr	404.00	416.50	404.80	415.10	+3.50
Jun	411.50	421.70	410.80	421.70	+3.60
Aug	417.00	428.60	417.00	428.60	+3.50
Oct	425.00	435.60	425.00	435.60	+3.50
Dec	431.00	443.00	431.00	442.90	+3.50
Feb	441.50	450.30	441.00	450.30	+3.50
Apr	447.00	457.00	445.80	457.80	+3.50
Jun	465.40	465.40	465.40	465.40	+3.50
Aug	473.10	473.10	473.10	473.70	+3.50
Est. Sales		Prev. Sales 48,247			
Prev. Day Open Int. 122,169 off 1,254					

Financial

	Open	High	Low	Settle	Chg.
US T. BILLS					
$1 million- pts of 100 pct.					
Dec	91.16	91.28	91.16	91.34	+.15
Mar	90.76	90.88	90.76	90.85	+.14
Jun	90.50	90.60	90.50	90.57	+.12
Sep	90.29	90.30	90.28	90.34	+.11
Dec	90.09	90.10	90.09	90.10	+.07
Mar	89.91	89.91	89.91	89.93	+.08
Jun				89.72	+.06
Sep				89.54	+.05
Est. Sales		Prev. Sales 17,777			
Prev. Day Open Int. 47,482 off 815					
10 YR. TREASURY					
$100,000 prin- pts & 32nds of 100 pct					
Dec	81-8	81-20	81-5	81-20	+22
Mar	81-18	87-10	80-18	81	+22
Jun	80-9	80-16	80-2	80-16	+22
Sep	79-27	80-2	79-20	80-2	+23
Dec				79-22	+22
Est. Sales		Prev. Sales 3,133			
Prev. Day Open Int. 10,665 up 295					
US TREASURY BONDS					
(8 pct-$100,000-pts & 32nds of 100 pct)					
Dec	72-27	73-9	72-24	73-8	+23
Mar	72-10	72-24	72-7	72-22	+23
Jun	71-20	72-9	71-25	72-8	+23
Sep	71-17	71-28	71-14	71-28	+22
Dec	71-5	71-10	71-3	71-10	+23
Mar	71-2	71-10	70-27	71-10	+23
Jun	70-22	71-3	70-22	71-3	+23
Sep	70-22	70-29	70-22	70-29	+23
Dec				70-24	+23
Mar				70-20	+23
Jun				70-17	+22
Est. Sales		Prev. Sales 97,354			
Prev. Day Open Int. 135,466 up 4,021					
GNMA					
$100,000 prin- pts & 32nds of 100 pct					
Dec	69-5	69-12	68-30	69-8	+11
Mar	68-4	68-13	68	68-11	+11
Jun	67-18	67-22	67-10	67-20	+11
Sep	67-1	67-5	66-25	67-3	+11
Dec	66-13	66-21	66-13	66-21	+11
Mar	66-5	66-9	66-5	66-9	+11
Jun	65-23	65-31	65-23	65-31	+11
Sep	65-19	65-23	65-19	65-23	+11
Dec				65-17	+11
Est. Sales		Prev. Sales 6,417			
Prev. Day Open Int. 46,315 up 672					
CERT. DEPOSIT					
$1 million- pts of 100 pct					
Dec	90.53	90.59	90.49	90.56	+.09
Mar	90.11	90.17	90.08	90.15	+.10
Jun	89.85	89.88	89.79	89.87	+.10
Sep	89.55	89.55	89.54	89.59	+.09
Dec	89.33	89.33	89.33	89.34	+.06
Mar				89.06	+.05
Est. Sales		Prev. Sales 5,434			
Prev. Day Open Int. 21,465 up 784					
EURODOLLARS					
$1 million-pts of 100 pct.					
Dec	90.12	90.17	90.08	90.15	+.09
Mar	89.77	89.81	89.73	89.78	+.09
Jun	89.51	89.55	89.46	89.52	+.09
Sep	89.24	89.24	89.14	89.26	+.08
Dec	89.00	89.00	89.00	89.01	+.06
Mar	88.77	88.77	88.77	88.77	+.05
Est. Sales		Prev. Sales 4,107			
Prev. Day Open Int. 35,373 up 954					
BRITISH POUND					
$ per pound- 1 point equals $0.0001					
Dec	1.4865	1.4950	1.4840	1.4915	+145
Mar	1.4860	1.4915	1.4850	1.4920	+140
Jan	1.4935	1.4935	1.4935	1.4930	+125
Sep				1.4920	+105
Est. Sales		Prev. Sales 8,482			
Prev. Day Open Int. 24,674 up 782					

	Open	High	Low	Settle	Chg.
FRENCH FRANC					
$ per franc- 1 point equals $0.00001					
Dec	.12455	.12500	.12445	.12500	+50
Mar				.12275	+125
Est. Sales		Prev. Sales 20			
Prev. Day Open Int. 1,942 off 6					
GERMAN MARK					
$ per mark- 1 point equals $0.0001					
Dec	.3879	.3901	.3872	.3900	+37
Mar	.3918	.3935	.3907	.3934	+35
Jun	.3968	.3968	.3968	.3968	+36
Sep	.3981	.3981	.3981	.3991	+17
Est. Sales		Prev. Sales 12,265			
Prev. Day Open Int. 31,527 up 1,532					
SWISS FRANC					
$ per franc- 1 point equals $0.0001					
Dec	.4824	.4834	.4810	.4831	+24
Mar	.4891	.4899	.4872	.4891	+23
Jun	.4960	.4960	.4960	.4944	+14
Sep				.4995	+3
Est. Sales		Prev. Sales 17,757			
Prev. Day Open Int. 33,160 up 2,233					
JAPANESE YEN					
$ per yen- 1 point equals $0.000001					
Dec	.004330	.004333	.004307	.004329	+11
Mar	.004363	.004365	.004341	.004361	+11
Jun	.004398	.004398	.004380	.004395	+12
Est. Sales		Prev. Sales 20,333			
Prev. Day Open Int. 41,858 up 5,078					

Industrials

	Open	High	Low	Settle	Chg.
LUMBER					
130,000 bd. ft.- $ per 1,000 bd. ft.					
Nov	181.30	181.30	174.60	175.40	—4.20
Jan	192.80	192.90	186.40	188.30	—3.10
Mar	205.00	205.00	198.90	202.80	—.90
May	213.00	213.00	207.10	210.00	—.50
Jul	218.00	218.20	214.90	217.00	—1.00
Sep	223.40	223.40	223.40	223.50	+.50
Nov				224.00	
Est. Sales 3,691		Prev. Sales 3,143			
Prev. Day Open Int. 7,953 off 101					
WSTN. PLYWOOD					
76,032 sq. ft.- $ per 1,000 sq. ft.					
Nov	193.00	193.00	189.50	191.10	—.90
Jan	195.70	195.70	193.20	195.20	—.10
Mar	200.50	200.50	197.50	200.00	+.20
May	203.00	203.00	201.00	202.50	+.20
Jul	205.50	205.50	204.00	205.00	+.20
Sep	208.00	208.00	207.00	207.50	+.20
Est. Sales		Prev. Sales 56			
Prev. Day Open Int. 986 off 12					
COTTON 2					
50,000 lbs.- cents per lb.					
Oct	76.40	76.40	76.40	76.15	+1.30
Dec	77.00	78.15	76.95	77.95	+1.32
Mar	78.45	79.50	78.35	79.35	+1.15
May	79.40	80.25	79.40	80.05	+.95
Jul	79.75	80.55	79.70	80.50	+1.00
Oct	75.50	75.50	75.50	75.40	+.75
Dec	74.20	74.80	74.15	74.77	+.57
Mar	75.00	75.00	75.00	75.30	+.40
Est. Sales		Prev. Sales			
Prev. Day Open Int. 31,072 off 149					
HEATING OIL					
42,000 gal- Cents per gal					
Nov	81.80	82.25	80.70	80.98	+.48
Dec	82.90	83.50	81.80	82.35	+.45
Jan	83.00	83.50	81.70	82.32	+.43
Feb	82.20	82.40	81.20	81.50	+.55
Mar	80.00	80.35	79.00	79.16	+.14
Apr	78.75	79.00	78.05	17.45	+.15
May				77.45	+.15
Jun				77.20	+.15
Est. Sales		Prev. Sales 18,303			
Prev. Day Open Int. 38,622 off 428					

Stock Indexes

	Open	High	Low	Settle	Chg.
SP COMP. INDEX					
points and cents					
Dec	168.90	170.15	168.15	170.10	+1.60
Mar	170.50	171.70	169.85	171.65	+1.60
Jun	172.35	172.35	172.35	172.80	+1.00
Sep				173.90	+1.40
Dec				174.90	+1.50
Mar	175.00	175.00	175.00	175.90	+1.60
Est. Sales 29,292		Prev. Sales 28,851			
Prev. Day Open Int. 26,273 up 1,209					
VALUE LINE					
points and cents					
Dec	201.80	203.25	200.95	203.20	+2.25
Mar	203.10	204.80	202.50	204.80	+2.45
Jun	203.90	205.70	203.90	205.70	+1.90
Sep				207.20	+2.00
Est. Sales		Prev. Sales 2,408			
Prev. Day Open Int. 3,239 off 408					
NYSE COMP. INDEX					
points and cents					
Dec	97.75	97.00	97.30	98.40	+.85
Mar	98.65	99.40	98.18	99.25	+.85
Jun	99.50	99.75	99.25	100.10	+.85
Sep	100.40	100.40	100.40	100.95	+.85
Dec	101.30	101.30	101.20	101.80	+.85
Mar	102.20	102.20	102.00	102.65	+.85
Est. Sales 15,886		Prev. Sales 11,367			
Prev. Day Open Int. 8,865 up 256					

Chicago Board of Trade: Wheat, corn, soybeans, soybean meal, soybean oil, oats, fresh broilers, T-bonds, GNMA, 10-yr T-notes, plywood. Chicago Mercantile Exchange: Cattle, feeder cattle, hogs, pork bellies, lumber, S&P composite index. New York Mercantile Exchange: Maine potatoes, platinum, heating oil. Coffee, Sugar and Cocoa Exchange, New York: Coffee, sugar, cocoa. Cotton Exchange, New York: Orange juice, cotton. New York Comex: Copper, silver, gold. Int'l Monetary Market: T-bills, CD's, Eurodollars, British pound, Canadian dollar, French franc, German mark, Japanese yen, Swiss franc. Kansas City Board of Trade: Value Line. New York Futures Exch.: NYSE composite index.

Commodity Indexes

	Close	Previous
Moody's	1,037.40 f	1,041.60 f
Reuters	1,886.10	1,894.60
D.J. Futures	145.81	144.62

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Top Automakers In U.S. Showing Big Sales Gains

New York Times Service

DETROIT — The Big Three U.S. automakers ended the 1983 model year with a 16.7 percent increase in sales, according to compaoy figures. It was the first time since 1978 that the companies have been able to report a year-to-year improvement in sales.

The increase in sales of the three companies, General Motors, Ford and Chrysler, has brought a dramatic turnabout in the financial outlook for the industry, which reported combined losses of more than $8 billion during 1979, 1980 and 1981. The increased sales, combined with new labor contracts and other cost-cutting measures have led analysts to estimate that the three companies will report combined earnings of about $5 billion for the 1983 calendar year.

"The main element of strength in the model year was the pickup in economic activity," said Harvey Heinbach, an automotive analyst with Merrill Lynch, Pierce, Fenner & Smith.

Auto industry executives say they expect the sales improvement to continue through the 1984 model year, with most forecasting total car sales of between 10 million and 10.5 million. Total sales of domestic and foreign cars for the 1983 model year were 8,795,708, a substantial increase over the 7,682,209 sold in the 1982 model year.

The Big Three figures released Tuesday reported that in the final 10 days of September, the end of the 1983 model year, total sales of 230,777, an 8.6-percent improvement over 212,584 cars sold in the final 10 days of September 1982.

Paris Commodities Oct. 5

Figures in French Francs per metric ton.

	High	Low	Close		Ch'ge
SUGAR					
Dec	2,250	2,240	2,238	2,240	—30
Mar	2,425	2,395	2,371	2,395	—41
May	2,585	2,490	2,475	2,485	—47
Aug	2,635	2,610	2,594	2,600	—66
Oct	2,700	2,680	2,665	2,680	—70
Dec	N.T.	N.T.	2,710	2,730	—75
850 lots of 50 tons. Open interest: 13,668					
COCOA					
Dec	1,768	1,750	1,765	1,770	+24
Mar	1,780	1,752	1,778	1,785	+16
May	N.T.	N.T.	1,795	—	+20
Jly	N.T.	N.T.	1,810	—	+15
Sep	N.T.	N.T.	1,845	—	+27
Dec	N.T.	N.T.	1,886	—	+51
Mar	N.T.	N.T.	1,907	—	+40
60 lots of 10 tons. Open interest: 1,037					
OFFEE					
ov	2,215	2,200	2,200	2,210	+30
an	2,205	2,205	2,700	2,110	+20
ar	N.T.	N.T.	2,090	2,118	+12
ay	2,105	2,098	2,086	2,105	—10
ly	2,100	2,100	2,070	2,100	+5
ep	N.T.	N.T.	2,060	2,084	+3
ov	N.T.	N.T.	2,060	2,080	+5
30 lots. Open interest: 161					

London Commodities Oct. 5

Figures in sterling per metric ton. Gasoil in U.S. dollars per metric ton.

SUGAR						
Dec	182.50	178.00	178.25	178.75	180.50	182.00
Mar	191.00	187.80	187.60	187.40	190.25	190.25
May	196.00	172.75	192.75	192.75	194.50	195.00
4,176 lots of 50 tons.						
COCOA						
Dec	1,498	1,468	1,485	1,487	1,474	1,478
Mar	1,484	1,464	1,480	1,481	1,470	1,472
May	1,491	1,483	1,490	1,492	1,479	1,480
Jul	1,505	1,496	1,504	1,501	1,490	1,491
Sep	1,509	1,509	1,510	1,519	1,500	1,506
Dec	N.T.	N.T.	1,522	1,530	1,505	1,516
Mar	N.T.	N.T.	1,530	1,549	1,505	1,530
2,405 lots of 10 tons.						
COFFEE						
Nov	1,884	1,858	1,859	1,860	1,859	1,863
Jan	1,855	1,833	1,836	1,837	1,841	1,842
Mar	1,769	1,755	1,756	1,758	1,757	1,758
May	1,735	1,730	1,734	1,725	1,736	1,727
Jly	1,700	1,690	1,680	1,689	1,692	1,687
Sep	N.T.	N.T.	1,665	1,470	1,670	1,680
Nov	1,650	1,649	1,644	1,654	1,645	1,650
2,982 lots of 5 tons.						
GASOIL						
Oct	246.50	244.00	242.50	244.00	241.50	242.00
Nov	250.50	247.50	247.75	248.00	245.75	246.00
Dec	253.50	250.25	250.25	250.50	248.25	248.50
Jan	254.00	250.50	250.50	250.75	249.25	249.50
Feb	249.75	249.75	247.75	248.00	246.50	248.00
Mar	247.50	245.75	244.00	247.00	239.00	247.00
Apl	243.25	243.00	241.00	243.00	236.00	246.00
May	N.T.	N.T.	239.00	245.00	235.00	248.00
Jun	N.T.	N.T.	239.00	247.00	225.00	250.00
3,609 lots of 100 tons.						
GOLD						
Oct	N.T.	N.T.	388.00	391.00	394.00	395.00
Nov	N.T.	N.T.	391.00	394.00	396.50	399.00
Dec	395.00	391.00	395.50	395.80	399.40	399.80
Jan	N.T.	N.T.	398.00	399.50	402.00	404.00
Feb	398.60	398.60	401.80	402.20	405.90	406.20
Mar	N.T.	N.T.	404.00	405.00	408.00	411.50
Apl	N.T.	N.T.	408.50	409.30	412.60	413.30
Jun	N.T.	N.T.	414.60	416.00	419.00	420.50
Aug	N.T.	N.T.	420.70	422.50	425.30	427.30
1,237 lots of 100 troy oz.						

London Metals Oct. 5

Figures in sterling per metric ton. Silver in pence per troy ounce.

	Today		Previous	
ish grade copper cathodes:				
spot	965.00	966.00	965.00	966.00
3 months	988.50	989.00	989.50	990.00
opper cathodes:				
spot	940.00	942.00	942.00	943.00
3 months	965.00	967.50	967.50	968.00
in: spot	8,465.00	8,470.00	8,475.00	8,485.00
3 months	8,560.00	8,561.00	8,565.00	8,566.00
ead: spot	269.00	270.00	268.50	268.50
3 months	278.50	279.00	278.00	279.00
inc: spot	555.00	556.00	551.00	552.00
3 months	570.00	570.50	567.00	567.50
ilver: spot	675.00	676.00	705.00	706.00
3 months	690.00	691.00	722.00	722.50
luminium:				
spot	1,044.00	1,045.00	1,046.00	1,047.00
3 months	1,071.50	1,072.00	1,074.50	1,075.00
ickel: spot	3,105.00	3,110.00	3,030.00	3,035.00
3 months	3,185.00	3,190.00	3,105.00	3,110.00

Cash Prices Oct. 5

Commodity and Unit	Wed	Year Ago
Coffee 4 Santos, lb	1.39	1.37½
Printcloth 64/30 38 ½, yd	0.72	0.56
Steel billets (Pitt.), ton	453.00	420.00
Iron 2 Fdry. Phila., ton	211.00	213.00
Steel scrap No 1 hvy Pitt.	82-83	57-58
Lead Spot, lb	25	23-29
Copper elect., lb	72-74	67½-72
Tin (Straits), lb	6.2580	6.2291
Zinc, E. St. L. Basis, lb	0.46	0.40-42
Palladium, oz	150	—
Silver N.Y., oz	10.08	8.25

NYSE Highs-Lows Oct. 5

NEW HIGHS 95

AMR Cp pf
Arkans Best
Balt GasEl
Brunswk
CenLaElec
ClevElec
ConEdisn
Delmar PLt
DuqL1 2 10pf
Esquire s
FMC
FlaProgress
GerberPrd
Harris Bnkp
Hershey s
Idaho Pw
IowaIll GE
Katy Ind
Lockhed s
MidSouUt
MontDakU
NJ Rescs
Okla GE
Pac Lghtg
Potom Elec
Quaker Oat
Rampac
SanDie Gas
Sierra PacP
Southern Co
TycoLabs
WiscEP

Alleg Pw
Avco Corp
Black Deck
CBS
CentVtPS
CombinInt
Con Foods
DiversEnrgy
Esmark s
EthylCp pfA
FMCCp pf
GenGwth wt
Gulf StaUt
HecksInc
Hitachi
IBM
Iowa PSvc
KatyInd pfB
Matsush El
Minn PwLt
NevadaPwr
NiagM Pow
ONEOK
PhilipMorr
PubSvc Col
RB Ind
Republic Stl
Scot LFd
SouJer Ind
TECO
USFG Co wt
Wis PubSv

Amstar
Avco 2 20pf
BristMyer s
CentSo West
ChiNWst
CwE 1 42pf
Copwld nt
Duke Pow
Esmark nt
ExCello
FlaPowLt
GenGwth pf
Harcourt
HelenCurt A
HoustInd
IntNth 10 50
Japan Fnd
Kyocera
Merck Co
MoPub Svc
NewEng El
NorInd PS
OutletCo s
Piedmt NGs
Pueblo Int
RCA 3 50pf
RevcoDS s
Scott Paper
SouCalEd
Tex Util
UnEl 2 98pf

NEW LOWS 7

AccoWld n
GenInst
NutriSys
CampbRsc n
McDermdCo n
Elect Assoc
Mesabi Tr

French Says GDP Rose By 0.5% in 2d Quarter

Compiled by Our Staff From Dispatches

PARIS — France's gross domestic product increased 0.5 percent in the second quarter, compared with a 0.2-percent decline in the first quarter, the government announced Wednesday. GDP had risen 0.8 percent in the second quarter of last year.

The volume of imports declined by 5.3 percent in the second quarter after rising 2 percent in the first three months of the year.

Dividends Oct. 5

Company	Per	Amt	Pay	Rec
INCREASED				
Fleet Fincl Group	Q	.60	1-1	12-15
Pacific Lighting	Q	.79	11-15	10-20
STOCK SPLIT				
Hollywood Park Cos — 5-for-4				
INITIAL				
Commercial Metals	Q	.09	11-4	10-21
USUAL				
Atlantic Met	Q	.02	11-15	10-25
Brenton Banks	Q	.33½	10-28	10-10
Central Il Pub Svc	Q	.30	12-9	11-18
Elgin National Ind	Q	.40	10-28	10-18
Henredon Furniture	Q	.18	11-11	10-17
MGM-UA Entrnmt	Q	.00	11-30	10-21
Sikes Corp	Q	.07½	11-1	10-14
US Air Group	Q	.03	10-31	10-14
White Consol Indus	Q	.37½	11-7	10-17

A-Annual; M-Monthly; Q-Quarterly; S-Semi-Annual.

COMPANY EARNINGS

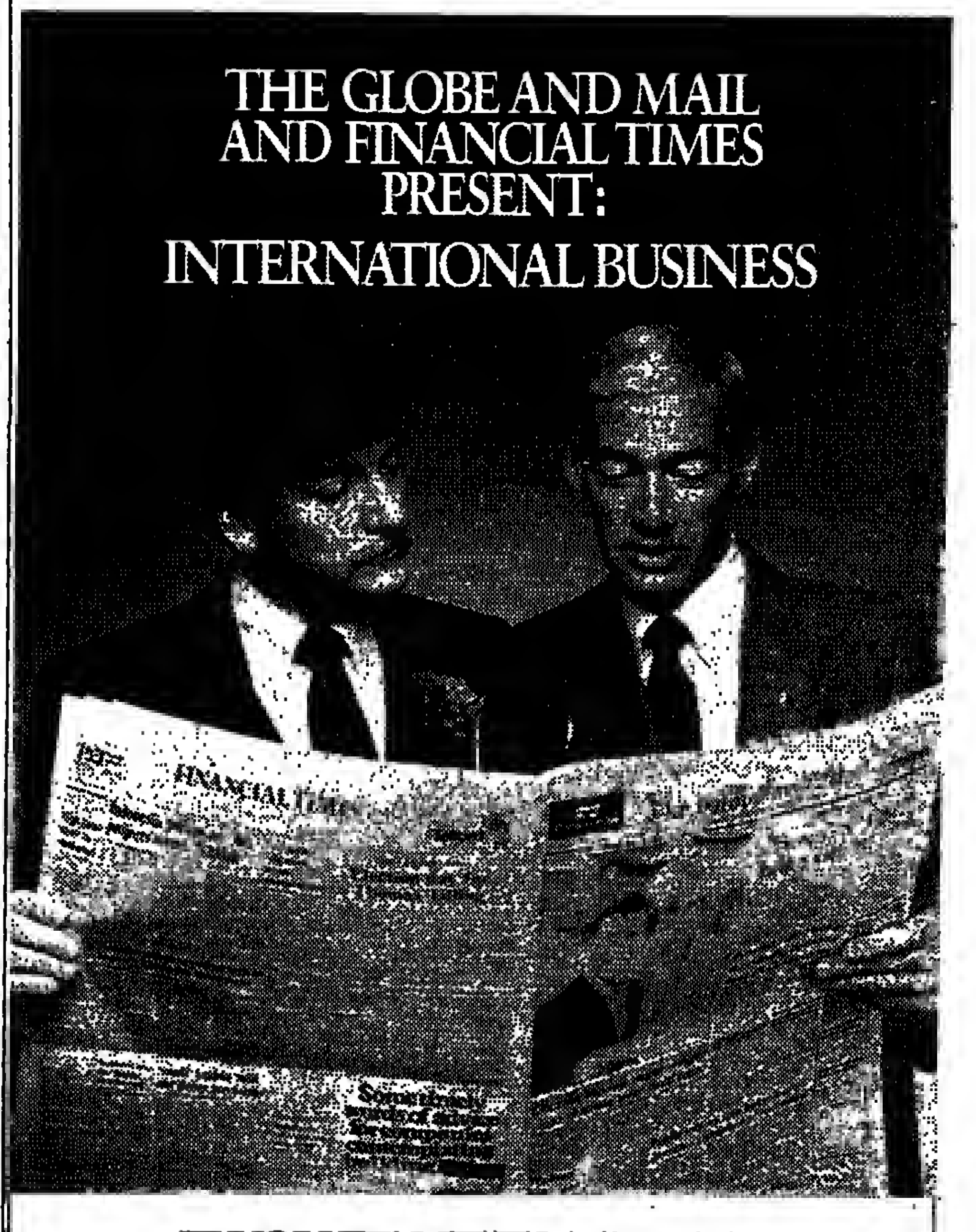
Revenue and profits, in millions, are in local currencies unless otherwise indicated

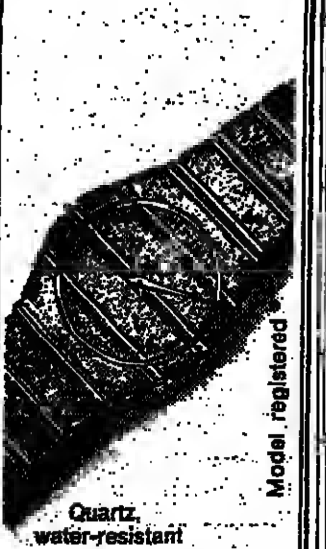
United States

Safeway Stores

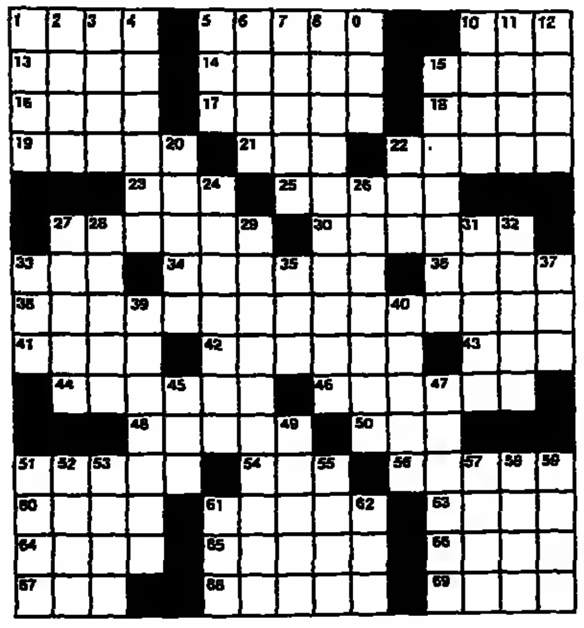
3rd Quar.	1983	1982
Revenue	4,308.	4,090.
Net Income	47.10	39.12
Per Share	0.82	0.75
9 Months	**1983**	**1982**
Revenue	12,810.	12,120.
Net Income	108.10	97.26
Per Share	1.96	1.84

Per share results adjusted for 2-for-1 split in March 1983.





CROSSWORD



ACROSS

- 1 Reject a lover
- 5 Walk in procession
- 10 Eight: Comb. form
- 13 Mormon state
- 14 Love
- 15 *Iulius* in Caesar's reign
- 16 Verne character
- 17 Arabian country
- 18 Hindu month
- 19 Corundum
- 21 —— Mateo, Calif.
- 22 Loosen
- 23 Yuletide drink
- 25 Indian Prime Minister: 1947-64
- 27 Guarantee
- 30 The —— (Rocky Mt. range)
- 33 W.W. II area
- 34 Charity-solicitation time
- 36 Mechanical repetition
- 38 Features of this puzzle
- 41 Arabian noble
- 42 A son of Jacob
- 43 Peruke
- 44 Makes points
- 46 Prehistoric tomb
- 48 Nautical poles
- 50 Starr or Francis
- 51 Bivouacs
- 54 A neighbor of Ill.
- 56 Potato type
- 60 *Pulitzer Prize* novelist
- 61 Garden pest
- 63 Athena title
- 64 Mistakes
- 65 Actor in "The Great Dictator"
- 66 Affirmative votes
- 67 New: Comb. form
- 68 Pertaining to oil
- 69 Family branch

DOWN

- 1 Havoc or Haver
- 2 Particular
- 3 Crippled
- 4 Prickles; spines
- 5 Comedienne Elaine
- 6 Fruity drinks
- 7 Kind of candle
- 8 Having squared notches
- 9 Layer
- 10 Evict
- 11 CCCIV divided by II
- 12 English river
- 15 Don ——, pro golfer
- 20 Lad
- 22 Speakers' hesitations
- 24 Fescue and rye
- 26 Farm device for dragging bales
- 27 Molecule parts
- 28 Kind of boom
- 29 Conceited
- 31 Lerner's partner in songwriting
- 32 Blemish on a tie
- 33 Scottish uncle
- 35 R.A.F. award
- 37 Work unit
- 39 Blast-furnace devices
- 40 Chou ——
- 45 Headland
- 47 "... sad Rose of all —— !": Yeats
- 49 Plumber's pipe cleaner
- 51 A D-day city
- 52 Sour, in Salerno
- 53 —— Griffin, TV emcee
- 55 Year in the reign of Justinian I
- 57 On the sheltered side
- 58 Pile
- 59 Kiln
- 61 —— Canals
- 62 Common Market initials

© *New York Times, edited by Eugene Maleska.*

DENNIS THE MENACE

'SHOULDN'T YOU BE HEADIN' SOUTH FOR THE WINTER?'

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VEROL

MALFE

TIPOLE

YISMAL

HE WORKS OUT THE PROBLEMS OF "MIXED-UP" LOVERS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: " ◯◯◯◯◯◯◯ "

(Answers tomorrow)

Yesterday's | Jumbles: HELLO BASIC AFFRAY CAUGHT
Answer: What kind of a guy was that press photographer?—A FLASHY ONE

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	—	—	—	—	na
Athens	25	77	14	57	fr
Amsterdam	20	68	15	59	c
Belgrade	29	84	11	52	fr
Berlin	22	72	16	61	fr
Brussels	20	68	15	59	fr
Bucharest	24	75	6	43	fr
Budapest	20	68	5	41	fr
Copenhagen	18	64	15	59	fr
Costa Del Sol	27	81	19	66	fr
Dublin	13	55	11	52	sh
Edinburgh	16	61	11	52	r
Florence	23	73	19	66	fr
Frankfurt	20	68	14	57	c
Geneva	22	72	9	48	fr
Helsinki	12	54	6	43	r
Istanbul	19	66	12	54	c
Las Palmas	25	77	22	72	c
Lisbon	23	73	16	61	o
London	20	68	12	54	c
Madrid	25	77	12	54	fr
Milan	24	75	16	61	c
Moscow	9	48	6	43	o
Munich	24	75	10	50	fr
Nice	23	73	16	61	fr
Oslo	15	59	12	54	o
Paris	23	73	16	61	fr
Prague	24	75	13	55	fr
Reykjavik	10	50	5	41	c
Rome	24	75	12	54	fr
Stockholm	15	59	13	55	o
Venice	21	70	15	59	fo
Vienna	25	77	11	52	fr
Warsaw	24	75	10	50	fr
Zurich	24	75	11	52	fr

MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Ankara	19	66	2	36	c
Beirut	26	79	18	64	fr
Damascus	—	—	—	—	na
Jerusalem	24	75	13	55	fr
Tel Aviv	26	79	11	52	fr

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	18	64	13	55	r
Sydney	16	61	13	55	sh

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	30	86	25	77	st
Beijing	22	72	12	54	fr
Hong Kong	31	88	26	79	fr
Manila	28	82	24	75	o
New Delhi	34	93	22	72	fr
Seoul	20	68	14	57	fr
Shanghai	21	70	18	64	r
Singapore	—	—	—	—	na
Taipei	32	90	26	79	o
Tokyo	24	75	21	70	o

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	32	90	19	66	fr
Cairo	29	84	17	63	fr
Cape Town	21	70	11	52	fr
Casablanca	26	79	19	66	c
Harare	26	79	14	57	fr
Nairobi	26	79	15	59	o
Tunis	27	81	17	63	c

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	22	72	12	54	fr
Lima	23	73	14	57	o
Mexico City	25	77	5	41	fr
Rio de Janeiro	23	73	19	66	c
Sao Paulo	20	68	16	61	c

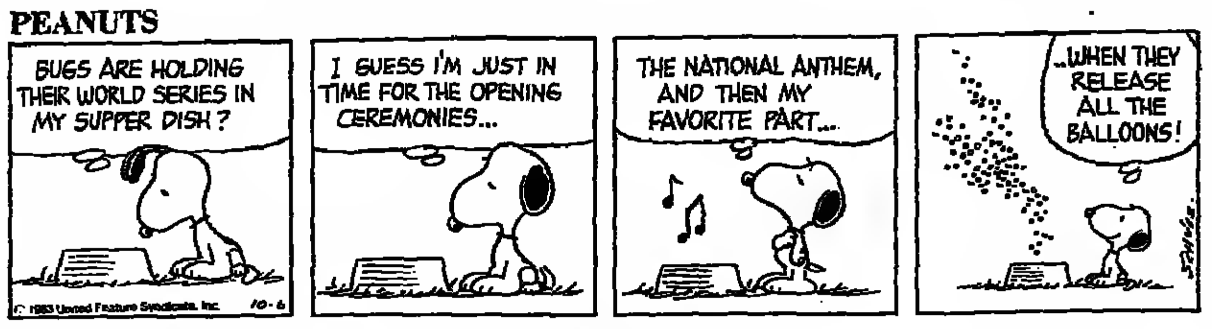
NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	7	45	1	34	c
Boston	23	73	16	61	r
Chicago	20	68	10	50	pc
Denver	23	73	5	41	fr
Detroit	20	68	13	55	r
Honolulu	31	88	22	72	fr
Houston	31	88	17	63	fr
Los Angeles	28	82	15	59	pc
Miami	30	86	18	64	pc
Minneapolis	15	59	7	45	pc
Montreal	26	79	10	50	r
Nassau	29	84	23	73	fr
New York	24	75	5	41	r
San Francisco	22	72	13	55	fr
Seattle	15	59	8	46	pc
Toronto	26	79	15	59	c
Washington	26	79	13	55	sh

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy

THURSDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. 21—12 (70—54). LONDON: Fair. Temp. 19—10 (66—50). MADRID: Cloudy. Temp. 23—14 (73—57). NEW YORK: Partly cloudy. Temp. 23—16 (73—61). PARIS: Fair. Temp. 22—13 (72—55). ROME: Fair. Temp. 25—13 (77—55). TEL AVIV: Fair. Temp. 28—13 (82—55). ZURICH: Fair. Temp. 23—10 (73—50). BANGKOK: Thunderstorms. Temp. 31—25 (88—77). HONG KONG: Fair. Temp. 31—27 (88—81). MANILA: Thunderstorms. Temp. 29—24 (84—75). SEOUL: Fair. Temp. 20—11 (68—52). SINGAPORE: Thunderstorms. Temp. 31—27 (88—81). TOKYO: Fair. Temp. 28—21 (82—70).

PEANUTS

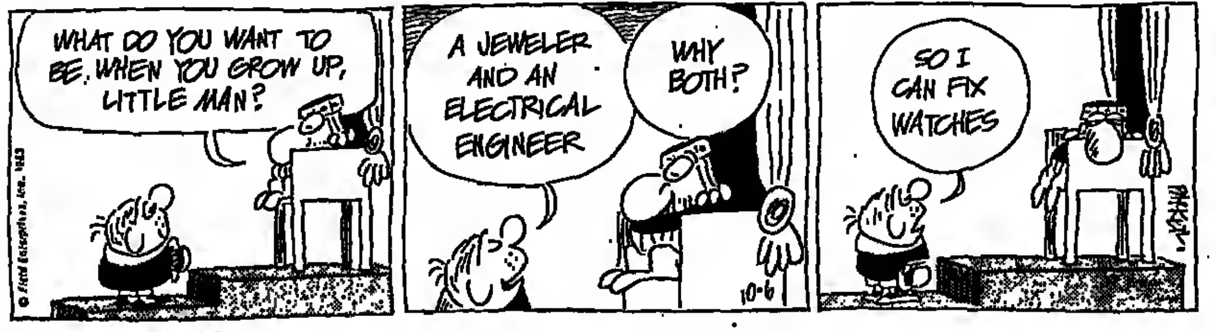


BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD

BOOKS

OUR ENDANGERED CHILDREN: Growing Up in a Changing World

By Vance Packard. 385 pp. $18.95.
Little, Brown, 34 Beacon St.,
Boston, Mass. 02106.

Reviewed by Phyllis Theroux

VANCE PACKARD, the distinguished critic of American society, has spent a lifetime stalking our enemies. More than any other writer-critic extant, he knows how to stir statistics into his prose and keep it palatable — which is not to say that we don't choke upon what he has to say. And in this, his ninth, book, "Our Endangered Children," Packard serves us a quietly terrifying portrait of a nation in which children are sown, like wheat upon rocky terrain, and often perish.

You will not enjoy this book any more than you would enjoy being locked up in a video arcade room for a weekend. But the wonder is that Packard had the strength to complete it without succumbing to despair.

Today's "child according to Packard" must cope with stresses that put him or her "at risk" from the beginning: an "inhospitable birthing system," unstable or single-parent homes, deficient day care, demoralized schools, and anti-child, crime-ridden neighborhoods. And these are just the broad-brush outlines of the predicament as outlined in an early chapter, "What It Means To Be Young Today."

"The notion still persists that the United States is a uniquely child-centered society," comments Packard. Yet "a deep malaise has rather swiftly come over child raising" in this country. There is no one answer that explains it, of course. But Packard — surrounded by charts, surveys, psychological studies, and census reports, as well as his friends and common sense — attempts to give a number of answers explaining why we have become a nation that often honors children in the breach.

I doubt that most parents beyond the pram stage of child-rearing will find anything wildly new or out of synch with their own undocumented experiences. In a culture that is highly materialistic, economically unstable, and full of deleterious influences from television to drugs, families find themselves in communities where their root systems are continually befouled or threatened, without having the strength to pull up and out. Like freeway shrubbery, a child must be resistant to pollution to survive from one day to the next.

Packard's strength lies in the voluminous information he has acquired to document our individual case histories. Like a prosecuting attorney with a table full of courtroom exhibits, he relentlessly pursues his case:

"Nearly half the children born in the last few years will spend a portion of their lives living in a one-parent household . . ."

"Now only a minority of families eat a supper together around a table." (Half of those sit before a television set in a darkened room.)

"Roughly a third of U.S. schools actually inflict psychic harm on pupils."

"Only 5 percent of U.S. children see a grandparent regularly."

"Nearly a quarter of all preschoolers and nearly 40 percent of all grade school children still are watching TV between nine and ten at night."

Packard's book is not simply a catalog of disasters, although everything from the junk food served in school cafeterias to the impact of custody fights upon children is included and researched. He attempts, with some success, to offer solutions to obvious problems, sometimes with too obvious answers.

In his chapter "Nine Adult Skills That Help Children Thrive," Packard says, without tongue in cheek, that "a skillful child developer does a lot of interacting with the child, especially verbal interacting." But it would be inaccurate to say that Packard simply restates the obvious with a few statistics to support it. The trouble with the book is with the size of the dragon Packard is attempting to define.

On the one hand, Packard concludes that the healthiest child lives in a house with a front porch, in a small community, with two parents, a supportive school system, and only five hours of television on the weekends. On the other hand, he is well aware that only a handful of parents, mostly affluent, can pull this off. And so he proposes alternative solutions, examining day care, joint custody, playground, school and work programs — as they exist in isolated parts of the United States or abroad. But in the main, Packard is an ecologist on a field trip, examining the evidence surrounding normal children who are not growing well.

I wished, without wishing to depress myself further, that Packard had examined the correlation between families with strong religious affiliations and strong children. There is no particular attention given to the underlying values that the United States subconsciously espouses, at the expense of its children. The same altars we have traditionally worshiped before — Money, Power and Influence — are still in place, at least in large cities. An interesting statistic uncovered by Packard is that children in rural areas are less bored than children in urban areas.

In conclusion, "Our Endangered Children" is a book that can be used by a lot of people — parents, educators, analysts and public policy makers — to good advantage. But I could not read too far without having to check my instinct to go upstairs — to see if my children were all right.

Phyllis Theroux, the author of "California and Other States of Grace," writes frequently about children. She wrote this review for The Washington Post.

Henry VIII's Flagship Goes on Public Display

United Press International

PORTSMOUTH, England — The wreck of King Henry VIII's flagship Mary Rose, which sank in 1545 and was raised to the surface last year, has gone on public display for the first time.

The opening of the public showing here Tuesday marked the end of the first year of restoration of the warship. It was brought up less than a mile off the British coast last Oct. 11 after 437 years on the ocean floor.

The ship was sailing to do battle with a French fleet on July 19, 1545, when it capsized and sank as King Henry VIII himself watched. All but about 40 of the 700 men on board went down with the ship. The wreckage was not found until 1966, when it was found by an amateur archaeologist.

BRIDGE

By Alan Truscott

ON the diagramed deal against five diamonds doubled, West led his singleton club. Ninety-nine players out of 100 would quickly play low from dummy and then be doomed to defeat. But South recognized that the lead was probably a singleton and found a brilliant way to cut the defenders' communications.

He won with the club ace in dummy, carefully dropping the jack from his hand. He then led the spade king and discarded his singleton heart.

There was now no way for East to gain the lead, although West tried by underleading his heart ace. South ruffed and led a low diamond, aiming to reach dummy with the jack.

It did not matter what West did, but he chose to take his ace and lead another trump. Now South had the lead in dummy, and could run the club nine, picking up the queen to make his doubled game.

This communication-cutting play of the spade king is sometimes known as the scissors coup. Oddly enough, a similar play was possible for East-West on the same deal.

At one table West played five spades doubled and received a diamond lead. He should have played a club at an early stage to cut the defenders' communication. When he failed to do so, North eventually had the opportunity to underlead his club ace, and South was able to defeat the contract with a third round of diamonds.

NORTH
♠K 10 4 3
♡Q 8 8 2
◇J 5
♣A 9 5

WEST (D)
♠A Q 8 7 6 2
♡A J 10 5
◇A 4
♣7

EAST
♠J 9 5
♡K 9 7 3
◇8
♣Q 6 4 3 2

SOUTH
♠—
♡4
◇K Q 10 9 7 6 3 2
♣K J 10 8

Both sides were vulnerable. The bidding:

West	North	East	South
1 ♠	Pass	2 ♠	4 ◇
4 ♠	Pass	Pass	5 ◇
Dbl.	Pass	Pass	Pass

West led the club seven.

Canadian Stock Markets

Oct. 4

Prices in Canadian cents unless marked $

Toronto

Sales	Stock	High	Low	Close	Ch'ge
1014	Acklands	$15	17¾	15	+ ⅛
21890	Agnico E	$15⅞	15½	15⅝	+ ⅛
100	Agra Ind A	$6⅛	6⅛	6⅛	— ⅜
13260	Alt Energy	$30¼	30	30	+ ⅛
10600	Alta Nat	$26	25¼	25½	+ ¼
110	Algo Cent	$18⅝	18⅝	18⅝	— ⅛
15925	Algoma St	$31	31	31	
3100	Andrs WA 1	$27⅛	27⅛	27⅛	
349	Argus C pr	$8⅛	8	8	— ⅛
550	Asbestos	$11¼	11⅛	11⅛	— ⅜
900	Atco I 1	$8⅝	8⅛	8⅝	+ ⅛
7063	BP Res	$23⅝	23¼	23½	— ⅛
29131	Bank N S	$44	43½	43⅝	+ ⅜
300	Baton A f	$14½	14½	14½	
5500	Bralor Res	$7¼	7	7	
400	Bramalea	$12⅝	12¼	12¼	— ¼
7100	Brenda M	$16⅝	16⅝	16⅝	
6343	BCFP	$11¼	11	11¼	+ ¼
18195	BC Res	360	350	360	+ 5
62865	BC Phone	$19⅝	19½	19½	— ⅛
2200	Brunswk	$18⅛	17⅝	18	— ¼
4500	CAE	$14⅛	14⅛	14¼	+ ⅛
1200	CDistb B 1	$6⅞	6¾	6⅞	+ ⅛
14100	Cad Frv	$8⅝	8⅛	8⅛	— ⅜
4000	Camflo	$11⅝	11	11⅝	+ ¼
3380	C Nor West	$26¼	26	26	
1200	C Packrs	$25⅝	25⅛	25⅝	+ ⅛
920	Can Trust	$44⅞	44	44⅞	+ 1⅜
350	C Tung	$14⅛	14⅛	14⅛	+ ¼
46185	CI Bk Com	$32⅜	32½	32½	
23368	CanP Ent	$22⅞	22¾	22⅞	+ ¼
24400	Cdn Nat Res	132	128	124	+ 9
3830	CTire A f	$40¼	39	39	— 1
22150	Cansua	218	206	206	— 5
600	Cara	$12	11¾	12	+ ¼
2005	Celanese	$12½	12¼	12¼	
400	Cherokee	$6⅞	6½	6½	
1300	C Distb A	$7	7	7	
1200	CDistb B f	$6⅞	6¾	6⅞	+ ⅛
7800	CTL Bank	$13	12⅞	12⅞	— ¼
3900	Conventrs	480	465	480	+ 5
900	Conwest A	$9	8⅞	8⅞	— ⅛
9280	Coseka R	395	375	380	+ 15
685	Conron A	$13⅞	13¾	13¾	— ⅛
9600	Czar Res	175	170	170	— 5
63719	Daon Dev	148	142	142	— 4
1150	Daon A f	90	90	90	— 5
48639	Denison	$46⅝	46⅛	46½	— ¼
1925	Develcon	$24¼	23¾	23¾	— ⅝
18078	Dickrsn A 1	$5	475	5	+ 20
7553	Dickrsn B	490	475	490	+ 20
1536	Doman A	$8½	8½	8½	— ⅛
25441	Dofasco A	$51	50	51	+ 1
81450	Dom Store	$30⅛	30	30	— ¼
708	Du Pont A	$34⅛	34	34⅛	
4325	Dylex A f	$21	20¾	20¾	— ⅛
3900	Elcthom X	410	390	395	— 20
3367	Emco	$15	14⅞	14⅞	— ⅛
13200	Equity Svr	$13	12½	12½	— ½
1450	Extendicar	$17⅞	17⅝	17⅞	+ ¼
1950	FCA Intl	$19⅛	19	19	— ¼
6008	C Falcon C	$18⅝	18⅛	18⅝	+ ⅛
1785	Fcnbridge	$77¾	75½	77¼	+ 2¼
100	Fardy Res	240	240	240	— 5
2300	Fed Ind A	$16½	16	16½	+ ¼
3700	F City Fin	$22¼	21¾	21⅞	— ¼
200	Fraser	$17¼	17¼	17¼	
3101	Gendis A	$21⅝	21⅛	21⅝	+ ¼
4700	Geac Comp	$23⅝	23⅛	23¼	+ ⅛
10100	Geocrude	320	315	320	+ 10
3800	Gibraltar	$10	9⅞	10	+ ⅛
5000	Graff G	$18½	18½	18½	+ ⅛
2000	Grandma	195	185	185	— 11
8450	Granduc	110	100	110	
310	GL Forest	$84	85½	84	— 1
40	Gt Pacific	$22⅝	22⅝	22⅝	— ⅜
320	Greyhnd	$25⅛	25	25	— ⅛
6000	H Group A	$5⅝	5⅝	5⅝	+ ¼
3400	Hrding A 1	200	180	180	— 55
4150	Hawker	$17¼	17	17	— ¼
1129	Hayes D	$15⅛	15⅛	15⅛	
1282	H Bay Co	$22⅝	22⅜	22⅜	— ¼
5450	Imasco	$32½	32¼	32¼	— ⅜
2200	Indal	$11¼	11⅛	11⅛	
200	Inducmin	$16⅞	16⅞	16⅞	
680	Inland Gas	$15½	15½	15½	— ¼
28875	Inter Pipe	$29½	29	29½	+ ½
1000	Ivaco B	$17⅞	17⅞	17⅞	+ ⅜
1200	Jannock	$13⅝	12¼	13½	— ⅛
6500	Kam Kotla	160	154	159	+ 5
100	Kelsey H	$26½	26½	26½	— ⅛
750	Kerr Add	$20⅞	20⅞	20⅞	
21777	Labatt	$21⅛	21¼	21⅛	+ ⅛
1033	Labmin	$53¾	53	53¾	+ ¼
59684	Lac Mnrls	$29⅞	29	29⅞	+ ¼
21100	Lacana	$10	9½	9½	— ¼
7314	LL Lac	$36	33½	35	+ 1⅛
3250	Loblaw Co	$13⅝	13⅛	13⅝	— ¼
300	MICC	$7⅝	7½	7½	— ¼
13922	Mclan H X	$16¼	16	16⅛	+ ¼
10413	Merland E	$7	6⅞	7	+ ⅛
4200	Molson A 1	$19⅛	19	19	+ ⅛
300	Molson B	$18⅝	18½	18½	
1200	Murphy	$25½	25⅛	25½	+ ⅛
46908	Noranda	$25⅝	25¼	25⅝	+ ⅜
3161	Norcen	$35⅞	35½	35⅞	— ⅛
147516	Nva AltA f	$7⅛	7	7	— ⅛
200	Nowsco W	$18⅞	18⅝	18⅝	— ⅛
27222	Nu-Wst A	170	166	166	— 6
24700	Oakwood	$11	10⅝	10⅝	+ ⅛
800	Oshawa A 1	$30¼	30⅛	30⅛	— ¼
13200	Pamour	$11⅜	11⅛	11½	— ⅛
1816	PanCan P	$29	28⅝	29	+ ⅛
350	Pembina	$16	15⅜	15⅜	— ⅜
5600	Phonix Oil	$8⅝	8½	8½	— ¼
1000	Pine Point	$32¼	31⅝	31⅝	+ ⅜
8300	Place GO o	125	121	122	+ 2
66127	Placer	$24⅛	23⅝	23⅝	— ⅛
1000	Provigo	$14⅛	14⅛	14⅛	
6900	Rayrock 1	$9¾	9⅝	9⅝	— ⅛
545	Redpath	$10	17⅝	18	+ ⅜
2309	Rd Stenhs A	$14⅛	13⅞	13⅞	— ⅛
1917	Reichhold	$11⅝	11⅛	11⅝	+ ⅛
1008	Revn Prp A	163	157	163	+ 6
2200	Rogers A	$10⅞	10⅝	10⅝	— ¼
6100	Roman	$18⅞	18⅛	18⅞	
100	Rothman	$46	46	46	
12428	Sceptre	$6⅞	6⅝	6⅞	+ ⅛
25200	Scotts f	$13⅞	13⅛	13¼	
212925	Shell Can	$27	26¼	26¼	— 1¼
67050	Sherritt	$11¼	10⅞	11	
1100	Sigma	$15¼	14⅞	15¼	+ ⅜
4954	SSears A f	$10⅞	10⅝	10⅝	
1960	Slater Stl	$14⅝	14⅛	14⅛	— ⅛
200	Southm	$46⅛	46⅛	46⅛	
400	St Brodcst	$9⅞	9⅞	9⅞	— ⅛
10550	Stelco A	$28½	28⅛	28⅛	— ⅛
3500	Steep R	495	490	495	+ 10
1320	Sulpetro B 1	$6¼	6⅛	6⅛	— ⅛
100	Suncor pr	$24¼	24¼	24¼	+ ⅛
17000	Sydney o	325	315	320	— 5
5100	Talcorp	130	130	130	— 5
200	Tara o	$13	13	13	
1200	Teck Cor A	$14¼	14¼	14¼	
19500	Teck B 1	$13⅜	12⅝	12⅝	— ¼
400	Teledyne	$8	8	8	
2300	Tex Can	$39	38⅝	38⅝	+ ⅜
4850	Thom N A	$37	36¾	37	
60566	Tor Dm Bk	$18	17¾	17¾	
5150	Torstar B f	$10⅞	10⅝	10⅝	
2389	Traders A f	$19⅝	18¾	19⅝	+ ⅛
1050	Trns Mt	$7⅞	7½	7⅞	
930	Trinity Res	$11⅛	11⅛	11⅛	+ ⅛
17659	TrnAlta UA	$20¾	20⅝	20¾	
24295	TrCan PL	$28	27⅞	28	
18200	Trimac	$8⅞	8⅝	8⅝	— ¼
16539	Turbo f	72	71	72	— 1
2100	Unicorp A f	$8⅝	8	8⅝	
675	Un Carbid	$15	15	15	
8853	Union Gas	$11¼	11	11	— ¼
1045	U Keno	$19⅝	18⅝	19½	+ 1¼
425	U Siscoe	$6⅛	6¼	6⅛	
2200	Versti A 1	$10	9⅞	10	+ ⅛
1300	Vestgron	$17¾	17⅝	17¾	— ¼
1000	Weldwod	$31	30½	31	+ 1
10000	Westfort o	50	45	45	— 5
2200	Westmin	$16⅝	16⅛	16½	— ⅛
1270	Weston	$40½	40	40½	+ ⅜
2847	Woodwd A	$14½	14⅛	14½	+ ⅜
3600	Yk Bear	$10⅝	10⅛	10½	— ⅛

Montreal

Sales	Stock	High	Low	Close	Ch'ge
12062	Bank Mont	$29⅛	28⅝	28⅞	
1424	Dom Txt A	$17½	17½	17½	— ⅛
200	Mnt Trst	$12⅜	12⅜	12⅜	
14461	Nat Bk Cda	$12⅝	12½	12½	
20633	Power Corp	$18⅞	18⅝	18⅝	— ¼
1000	Roll and A	$10⅝	10½	10½	
8805	Royal Bank	$32¼	32	32	— ¼
1000	Roy Trst Co	$27¼	27⅛	27⅛	+ ⅛

Total Sales: 7,972,325 shares

Amsterdam

	Close	Prev.
ABN	366.50	367
ACF Holding	164.50	164.80
AKZO	79.60	79.90
Albert Heijn	180.30	182.70
AMEV	136.80	133.40
Amrobank	62.20	61.80
A'Dam Rub	9.40	9.40
Boskalis	48.50	49
BVG	210	313
Buehrmann T	49	49
Calond Hldg	34.50	34.50
Elsevier	424	411
Ennia	159	159
Fokker	39.10	39.50
Gist Brocades	145.50	145.50
Heineken	134	136.20
H.V.A.	114.50	114.50
Hoogovens	25.20	25
K.L.M.	153.50	150
Naarden	43.90	43.70
Nat. Nedder	175.80	175.10
Nedlloyd	97	97
Oce Vander G	214.20	214.70
OGEM	0.52	0.58
Pakhoed	58.50	58.50
Philips	46.70	47.40
Robeco	316	317
Rodamco	127.70	127.70
Rolinco	305	305.50
Rorento	196	195.40
Royal Dutch	129.50	125
RSV	3.95	3.45
Unilever	230	231
Van Ommer	30	30.70
VMF-Stork	78.90	77.40
VNU	121.50	115

Anp-Cbs Index: 141.30
Previous: 142.10

Brussels

	Close	Prev.
Agfa-Gevaert	2,480	2,455
Arbed	1,332	1,350
Bekaert	2,980	2,930
Cockerill	156	159
EBES	2,275	2,285
GB-Inno-BM	3,500	2,945
GBL (BLamb)	2,345	2,325
Hoboken	4,570	4,420
Kredietbank	6,350	6,330
Petrofina	5,820	5,910
Soc. Generale	1,860	1,850
Sofina	5,110	5,170
Solvay	3,440	3,345
Traction Elec	3,315	3,355
V. Montagne	3,340	3,340

Bourse Index: N.A.
Previous: 330.34

Frankfurt

	Close	Prev.
AEG	84.50	84
Allianz Vers.	654	648
BASF	153	152.20
Bayer	155.90	154
Bayer Hypo	271	272
Bayer Verein	314.50	315
BMW	383	380
Commerzbank	146	165.40
Cont. Gummi	113.50	112.80
Daimler	585	581.50
Degussa	350.20	348
Demag	152.50	152
D. Babcock	180.50	179.50
Deutsche Bk	300.50	300.90
Du. Schulte	266	261.50
Dresdner Bk	170.50	170.40
GHH	147.50	143.50
Hapag Lloyd	45	44.50
Hochtief	415	420
Hoechst	162.60	160
Hoesch	103	101
Holzmann	410	410
Horten	158	155
Kali u Salz	210.50	210
Karstadt	258.50	256
Kaufhof	248	241
KHD	264	258
Kloeckner	39	38.50
Krupp	79	78
Linde	392	384
Lufthansa	125	125
MAN	139.80	139.70
Mannesmann	137	133.50
Metallgesell.	195	193.20
Muench. Ruck	602	596
Preussag	263.20	262
Ruetgerswk	316.50	316.50
RWE new	176.50	171.50
Schering	348.50	346
Siemens	358.40	354.60
Thyssen	76.20	72
Varta	168	169
Veba	171.80	169.50
VEW	125	119.30
Volkswagen	220	217.20

Commerzbank Index: 951.30
Previous: 941.50

Hong Kong

	Close	Prev.
Cheung Kong	5.95	5.70
China Light	10.40	9.90
Cross Harbor	9.40	9.40
Hang Seng Bk	30	29.10
HK Electric	4.45	4.40
HK Hotels	18.50	18.30
HK Land	2.40	2.275
HK Shanghai	6.55	6.40
HK Tel	29.60	28.90
HK Wharf	2.925	2.70
Hutch Wamp	8.50	8
Jardine Math	8.35	7.90
Jardine Sec	5.90	5.60
New World	2.15	2.05
Shaw Bros	N.Q.	—
SHK Property	4.38	4.15
Sime Darby	9	8.50
Stelux	N.Q.	—
Swire Pacific	11.40	10.80
Swire Prpty	3.75	3.65
Wheelock	2.625	2.475
Wheel Mar	1.50	1.60
Winsor	5	4.90
World Intl	1.16	1.12

Hang Seng Index: 717.60
Previous: 698.06

Johannesburg

	Close	Prev.
AECI	9.50	9.50
Barlow	12.75	12.80
Blyvoor	15.25	15.75
Buffels	66	54.50
Elandsrand	13.20	13.55
GFSA	126	128.50
Harmony	22.25	22.60
Kloof	46.75	47.75
Pst Steyn	49.25	49
Rustplat	10	10.25
S.A. Brew	7.70	7.70
St. Helena	37.75	39.50
Sasol	4.20	4.20

Composite Stock Index: 873.80
Previous: 887.70

London

	Close	Prev.
AA Corp	18	18⅝
Allied Lyons	1.45	1.45
AngloAM Gld	1.10¾	1.12¼
Babcock-Wil	1.38	1.41
Barclays BK	4.49	4.47
Bass	3.38	3.36
BAT Ind.	1.42	1.42
Beecham Gp	3.15	3.15
BICC	2.35	2.33
BL	0.63	0.63
BOC Int'l	2.28	2.27
Boots	1.58	1.59
Bowater	2.14	2.09
BP	4.26	4.32
Brit.Home St.	2.22	2.21
BTR	5.42	5.42
Burmah	1.60	1.50
Cadbury Sc.	1	0.99
Charter Gold	2.33	2.33
Coats Patons	0.70½	0.71
Cons. Gold Fds	5.34	5.37
Courtaulds	0.96	0.96
Dalgety	3.96	3.92
De Beers	7.97	8.05
Distillers	2.16	2.17
Driefontein	29⅝	30⅛
Dunlop	0.87	0.86
Fisons	7.15	7.11
Free St Ged	39	40½
GEC	1.91	1.94
GKN	1.59	1.64
Glaxo	8.10	8.10
Grand Met	3.30	3.38
Guinness	1.08	1.08
GUS	5.45	5.43
Hanson Trust	2.19	2.22
Hawker-Sidd	2.92	2.98
ICI	5.54	5.48
ICL	0.57	0.58
Imps	1.28	1.27
Lloyds	4.64	4.84
Lonrho	0.99	0.97
Lucas	1.49	1.49
Marks-Spenc	2.07	2.07
Metal Box	2.52	2.54
Midland Bk	4.02	4.12
NatWest Bk	5.79	5.97
Pilkington	2.36	2.30
Plessey	2.22	2.18
Randfontein	119.50	122.50
Rank Org.	1.74	1.76
Reed	3.08	3.04
Royal Dutch	29.80	30.53
RTZ	5.87	5.79
Shell	5.82	5.92
Stand Charter	4.12	4.09
Tate & Lyle	3.52	3.54
Tesco Stores	1.66	1.66
Thorn (A)	6.16	6.10
Trafalgar H	1.75	2.74
TrustHousesF	1.80	1.79
TI Group	1.36	1.36
Ultramar	6.19	6.42
Unilever	8.48	8.45
Untd Biscuits	1.48	1.48
Vickers	1.09	1.09
War Loan 3½	36⅝	36⅝
W. Deep	47	47½
99. Holding	48	49
Woolworth	2.76	2.70
ZCI	0.16	0.15

F.T. 25 Index: 787.80
Previous: 798.20

Other Markets

Oct. 5

Closing Prices in local currencies

Milan

	Close	Prev.
Bca Commerc	28,500	28,150
Bastogi	205	205.25
Centrale	1,721	1,716
Credito Ital	3,350	3,351
Fiat	3,025	2,980
Finsider	40	41
Generali	143,300	143,025
IFI	4,765	4,700
Italcementi	46,600	46,500
LaRinascente	337	340
Mediobanca	65,721	65,250
Montedison	193	193.25
Olivetti	3,310	3,290
Pirelli	2,416	2,420
Snia Viscosa	1,140.50	1,136
Standa	5,135	5,080

BCI Index: 192.46
Previous: 192.11

Paris

	Close	Prev.
Air Liquide	476.10	475
Alsthom Atl.	154	155
Av. Dassault	458	452
Bancaire	350	366.50
Bic	650	642
Bouygues	699	699
BSN-GD	2,090	2,085
Carrefour	1,350	1,360
Club Mediter	667	672
Cofimeg	182	180.80
Creusot Loire	57	61
Dumez	909	920
Eaux (C Gle)	383	375.50
Elf-Aquitaine	165.40	171
Europe 1	581	599
Hachette	1,240	1,236
Imetal	68	67.50
Lafarge Cop	272	280
Legrand	1,875	1,910
Matra	1,080	1,080
Michelin	785	786
MM Pennar	46.90	47.40
Moet Henn	1,358	1,346
Moulinex	89.60	90.30
Nord-Est	55.20	55.10
Occidentale	642	649
Oreal (L')	2,015	2,018
Pernod Ric	876	870
Petroles (Fse)	150.20	153
Peugeot	208.70	206.60
Poclain	90	90.10
Printemps	117	119
Radiotechn.	414	415
Redoute	1,170	1,160
Roussel Uclaf	530	546
SkisRossignol	1,218	1,210
Sour Perrier	367	367
Telemecan	1,180	1,180
Thomson Bdt	175	183
Valeo	380	384

Agefi Index: 161.72
Previous: 162.37

Singapore

	Close	Prev.
Boustead	2.68	2.74
Cold Storage	5.25	5.30
DBS	9.45	9.70
FraserNeave	6.05	5.95
Haw Par Bros	2.28	2.25
Inchcape	2.96	3.02
Keppel Ship	3.28	3.38
Malay Bnking	8.95	9.50
OCBC	10.40	10.70
OUB	4.32	4.38
Semb Shipyd	1.89	1.95
St Steamship	N.T.	—
St Trading	5.35	5.45
UOB	5	5.15

Fraser Ind. Index: 5,401.25
Previous: 5,474.16

Stockholm

	Close	Prev.
Alfa Laval	275	270
Asea	375	365
Astra	430	420
Atlas Copco	111	111
Boliden	396	405
Cementgjut	770	765
Electrolux	232	234
Ericsson	437	435
Esselte	390	385
Handelsbanken	179	179
Pharmacia	394	390
Saab-Scania	246	243
Sandvik	345	345
SKF	161	158
Swedish Match	235	227
Volvo	429	423

Affarsvarlden Index: 424.60
Previous: 418.60

Sydney

	Close	Prev.
ACI	1.61	1.61
ANI	2.70	2.40
ANZ Bk	5.56	5.40
Boral	3.10	3.10
Bougainville	2.40	2.38
Brambles	2.80	2.88
Broken Hill P	12.45	12.50
Coles	3.48	3.48
CSR	3.90	3.95
Comalco	2.95	2.95
CRA	5.62	5.50
Elder Smith	4.35	4.25
EZ Ind.	5.90	5.86
Hooker	1.35	1.35
Magellan	3.10	3.20
MIM Hlgds	3.85	3.78
Myer Emp	1.55	1.54
Oakbridge	1.28	1.28
Pko Wallsd	6.80	7.30
Poseidon	4.80	4.70
RGC	4.30	4.40
Robe River	2.52	2.51
Santos	7.66	7.86
Sleigh	1.20	1.20
Southland	0.30	0.28
Woodside Petl	1.33	1.31
Wormald	2.93	3

All ordinaries Index: 702.30
Previous: 697.40

Tokyo

	Close	Prev.
Akai	566	569
Asahi Chem.	386	381
Asahi Glass	643	640
BK Tokyo	291	291
Bridgestone	511	509
Canon	1,430	1,420
Dai Nip. Print	883	895
Daiwa	518	516
Fuji Bank	500	500
Fuji Photo	2,420	2,390
Fujitsu	1,420	1,400
Hitachi	912	900
Honda Motor	974	943
IHI	169	165
Itoh	313	308
Jal	2,320	2,345
Kajima	327	326
Kansai Pw	941	930
Kao Soap	609	602
Kaw Steel	175	175
Kirin Brew	424	424
Komatsu	491	488
Kubota	325	325
Matsu El.Ind	1,760	1,720
Matsu El.Wks	585	582
Mitsubishi Bk	500	500
Mitsubi Chem.	265	268
Mitsubi Corp.	540	537
Mitsubi Elec	438	431
Mitsubi Heavy	268	265
Mitsui Co.	389	374
Mitsukoshi	356	364
Mitsumi	825	825
Nikko Sec	405	401
NEC	1,420	1,390
Nippon Steel	168	167
Nippon Yusen	260	260
Nissan Motor	680	679
Nomura	748	748
Olympus	1,210	1,220
Ricoh	965	965
Sharp	1,400	1,380
Sony Corp	3,860	3,730
SumitBank	500	500
Sumit Chem.	179	179
Sumit Metal	163	160
Taisei	224	227
Taisho Mar	325	326
Takeda	790	786
Teijin	367	370
Tokyo El Pwr	1,120	1,040
Tokyo Marine	493	493
Toray	474	437
Toshiba	380	373
Toyo Kogyo	441	431
Toyota	1,260	1,250
Yamaichi	432	432

New Index: 695.73
Previous: 690.51
Nikkei-DJ Index: 9,491.93
Previous: 9,424.34

Zurich

	Close	Prev.
Alusuisse	780	725
BK Leu	4,225	4,225
Br Boveri	1,180	1,190
Buehrle	1,260	1,255
Ciba Geigy	2,090	2,070
Cr Suisse	2,100	2,105
Elektrowatt	2,870	2,865
Fisher	625	612
Hoff-Roche B	9,850	9,675
Suchard	5,950	5,975
Jelmoli	1,700	1,710
Landis Gyr	1,440	1,450
Nestle	3,990	3,975
Sandoz	6,575	6,475
SBS	303	305
Schindler	2,480	2,450
Sulzer	158	244
Swissair	845	842
UBS	3,180	3,140
Winterthur	3,075	3,100
Zurich Ins.	16,700	16,700

SBC Index: 351.70
Previous: 351.50

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Canadian Indexes

Oct. 5

	Noon	Previous
Montreal	439.58	442.73
Toronto	2,465.40	2,474.00

Montreal: Stock Exchange Industrials Index.
Toronto: TSE 300 Index.

Britain's Reserves Decline

The Associated Press

LONDON — Britain's gold and foreign currency reserves fell by $107 million in September to $17.902 billion, the Treasury announced Tuesday. It was the first decline since June, it said.

Solution to Previous Puzzle

GASH CHANS ASPS
ORCA LIMIT LAUE
SCAR ERASE ANSA
SALTOFTHEEARTH
INDEX ILL AO
PES BEAM BRAV
TOPCOAT ONES
THEWINDSOFWAR
ARAN SEATTLE
PERTH LIEU ASH
TAO ERR FORTE
CHARIOTSOFFIRE
AHAB GUILD FOAL
RETE OGLED ESNE
ERST REEDS REDD

هكذا من الأجل

SPORTS

Phils Nip Dodgers on Schmidt's Homer and Shutout Pitching

Compiled by Our Staff From Dispatches

LOS ANGELES — The old men of the Philadelphia Phillies kept on winning Tuesday night when they took the opening game of the National League playoff by edging the Los Angeles Dodgers, 1-0.

It was a classic story line with proper heroes for the Phillies, who won 21 of their last 25 games in the

BASEBALL PLAYOFFS

regular season. They took the lead off Jerry Reuss in the first inning on a home run by Mike Schmidt. Then they protected it through the relentless pitching of Steve Carlton and Al Holland.

So, having lost 11 of the 12 games they played against the Dodgers this season, the Phillies turned on their tormentors when it counted most: the night the playoff for the pennant began, before 49,963 persons in Dodger Stadium, where they had not won a game all year.

The Phillies, who lost playoffs to the Dodgers in 1977 and 1978, will try to take a commanding lead Wednesday night. John Denny, who led the league with 19 victories, will pitch for Philadelphia against Fernando Valenzuela. The first team to win three games wins the pennant and enters the World Series next Tuesday against either the Baltimore Orioles or Chicago White Sox of the American League.

"It was a classic," said Tommy Lasorda, manager of the Dodgers. "Reuss pitched a great game, but just came up short. We had a couple of chances to score and didn't. Carlton pitched an overpowering game. He was the difference, and he will go down as one of the great pitchers in history."

"Who would have thought," he added, lamenting the thought, "that Schmidt's home run in the first inning would have been all they needed to win?"

One man who thought so was Paul Owens, the general manager of the Phillies, who dismissed Pat Corrales as manager on July 18 and then took his place.

"I thought the way Carlton and Reuss were pitching, one run might be enough," Owens said. "We even decided before the game to go for one run early. And we got one."

Schmidt, who supplied the run with two down in the top of the first inning, has been picking on Reuss for a long time. He has hit 389 home runs in his 11 years in the big leagues, 40 of them this year, and he has hit more off Reuss than off anybody else. Tuesday night's was No.10. It also was his first in five playoffs, and it ironically sent Reuss to his fifth straight defeat in playoffs.

Carlton, who achieved his 300th career victory two weeks ago at the age of 39, guarded his lead like a miser. He pitched seven and two-thirds innings, allowing seven singles, walking two and striking out six batters. When the Dodgers finally mounted a threat by loading the bases with two down in the eighth, he was rescued by Holland, who saved 25 other games this season.

"The game," Reuss said, "was won with the one pitch. It was a good pitch, but he's a good hitter."

Reuss, who can become a free agent this fall, threw the pitch in the first inning after he had retired two of the oldest leadoff men in the business — Joe Morgan, who is 40, and Pete Rose, who is 42. Then he went to a count of one ball and one strike on Schmidt and delivered a low fastball.

"Normally, that's a good pitch," Schmidt said later. "But not to me, because I am a notoriously good low-ball hitter."

He proved it again by driving the ball to straightaway center field; it cleared the fence at the 395-foot mark over a leaping Ken Landreaux. The story line for the rest of the evening was set.

Carlton, who has struck out 3,709 batters in his career, more than anybody in history, then played his part nobly.

Steve Sax got three singles off him. His first came leading off the opening inning, but Carlton picked him off first base and went on to retire the next seven batters. Later, he gave up singles in the third and fifth innings to Derrel Thomas, a switch-hitting replacement for Greg Brock, the left-handed rookie. Otherwise, Carlton kept strict order.

The Dodgers finally hatched a threat in the sixth, when Sax led off with a ground single to center. He was bunted to second by Bill Russell, and when a wild pitch by Carlton caromed off catcher Bo Diaz's shinguard and went to the backstop, Sax took a wide turn around third before going back as Diaz slid across the dirt to corral the ball.

"Yeah, I thought about going in," Sax said. "But I thought it was too close a game with the guys coming up and needing just another wild pitch or a fly or a ground ball to get me in. Unfortunately, it didn't happen."

Dusty Baker popped up in front of the plate, Carlton himself grabbing the ball for the second out. The threat remained when Pedro Guerrero walked on a 3-2 pitch, putting two Dodgers on base for the first time. But Carlton fanned Mike Marshall on three pitches, the last a sinking slider, and the Phillies stayed one run in front.

With one down in the eighth, Sax delivered his third single off Carlton, and the Dodgers had their best chance. Sax, who stole 56 bases this season, drew half a dozen throws from the mound. Then Russell popped up, and there were two down. But Baker glanced a single into short right field, chasing Sax to third, and everything was left to Guerrero, who led the Dodgers in almost every offensive category.

He walked on four pitches, loading the bases, and now it was up to Marshall for the second time in three innings. But Carlton never faced him. Into the game came Holland, the bearded left-handed relief ace, to face a second-year man who had hit .284 with 17 home runs.

It was close, but Holland escaped when Marshall hit a line drive to right field that was caught on the run by Sixto Lezcano.

Schmidt did all he could to make his game-deciding homer sound lucky. "I didn't pick up the first two pitches Reuss threw me at all — not at all," he said. "It's the first at-bat in the championship series and you've got some jitters. I just wanted to get the bat moving. . . .

"I thought Landreaux had it," said Schmidt of his drive. "I didn't know it was out until I saw the third base umpire signaling. So I hit a home run. If the pitch is a little bit in, maybe it breaks my bat. What did it go, 400 feet? In our ballpark, that's an out."

Schmidt's view of things seemed for local consumption in the Phillie clubhouse.

"Who 'rose to the occasion?' " he said, echoing a question. "The hitters? We got one run. You don't win many games with one run."

Prodding his teammates is nothing new for the league's two-time most-valuable player. It was Schmidt who spoke out in early September, saying that the team had no direction under interim manager Owens. Immediately thereafter, the Phillies found a direction, onward and upward, winning 21 of their next 25 games.

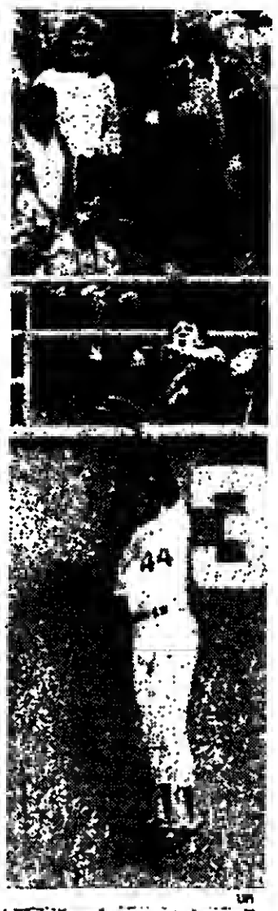
"It was just a coincidence," said Rose, who looked like he wanted to wink in the afterglow of Game 1. "I didn't even read what he said."

A pause.

"I wrote it."

The Associated Press

Philadelphia's Mike Schmidt, following through on his first-inning homer off Jerry Reuss.



UPI

Ken Landreaux at the wall.

■ **Game 1**

Philadelphia	100	000	000	—	1	5	2
Los Angeles	000	000	000	—	0	7	0

Carlton, Holland (8) and Diaz; Reuss, Niedenfuer (9) and Yeager. W—Carlton, 1-0. L—Reuss, 0-1. HR—Philadelphia, Schmidt (1).

The Associated Press

Richard Noble on Nevada's Black Rock Desert course.

Briton Sets Speed Mark

United Press International

GERLACH, Nevada — British driver Richard Noble drove his jet-powered car 633.606 miles per hour (1,010.4 kph) across Black Rock Desert here Tuesday to set the world land-speed record. Noble's speed was roughly equal to that of a .45 caliber bullet.

"It was tremendous," Noble said after shattering Gary Gabelich's 13-year-old mark of 622.407. "It's just sinking in what we've done — for Britain and the hell of it. It's just damned good fun."

The record is taken from the average of two trips in opposite directions through a measured-mile course. Noble's first run was clocked at 624.241 mph. His second-run speed was 642.971, the gold-colored Thrust 2 flashing through the mile in less than 5.6 seconds. The car raised a wall of dust 30 feet high and 10 miles long before being slowed by parachutes and finally halted by huge brakes on each of its four aluminum alloy wheels.

The vehicle is 27 feet long and weighs more than 8,000 pounds; except for two rear stabilizing fins, it stands less than five feet high. It is powered by a Rolls-Royce jet engine capable of generating more than 17,000 pounds of thrust.

Britain's Donald Campbell was the last non-American to hold the record when he hit 403.1 mph in his turbine-powered Bluebird in 1964. American Craig Breedlove had hit 407 mph the year before, but that was before jet-powered cars like Spirit of America were allowed in international competition.

American Stan Barrett has exceeded 700 mph in his rocket-powered Budweiser car, but was unable to conform to the official rules of the land speed competition and was denied any record.

A Foot-Dragging Declaration of 'War on Drugs'

By Ken Denlinger
Washington Post Service

WASHINGTON — The United States Olympic Committee has done something that can be regarded both as close to inspirational and as the ultimate in political gall. After decades of shamelessly ducking the issue, it has "declared war on drugs."

In a breathless bulletin from Colorado Springs, the USOC trumpets that it has "taken the leadership role in this effort following the conclusion of the IX Pan American Games, where 15 athletes from 10 nations, including two U.S.A. athletes, were stripped of their gold medals after testing positive for the use of banned substances."

A noble gesture, this.

Or a noble gesture, at least, to the masses of Americans who only seem to care about semiamateur sport from two months before the Olympics until two weeks after the Games.

International insiders are laughing as heartily as they are applauding, knowing this to be a bit like the timid soul who waits until somebody else has the school bully nearly beaten and bravely asks, "Can I give you a hand?"

The intent is splendid. Let the USOC tell you about it:

"The drug-testing results in Caracas touched off a worldwide reaction by amateur sports groups and the media, and the USOC was quick to react to the challenge of making sure that American athletes learn the dangers of the use of such drugs and cease to use them.

"The USOC has announced the formation of the U.S. Olympic Committee Task Force on Drug Control, made up of prominent sports physicians and medical experts from across the nation. . . . [It] will supervise a wide range of efforts designed not only to educate American athletes on the dangers of drug use, but to ensure that they are not using them at all."

The release quotes Executive Director F. Don Miller: "This is the first step in our war against the use of drugs by our athletes, but not a war against our fine young men and women."

Many of our fine young men and women certainly were scarred by Miller last week when he revealed his conviction that some U.S. and foreign athletes deliberately threw their Pan Am events rather than face tests for performance-enhancing drugs.

"You never can prove anything," he said, "but I saw it happen. I knew the caliber of certain athletes. I know very well what happened in my own heart. It's something that happens, and you know it happens and that's it."

The chief physician for the U.S. team, Roy Bergman, called it "like the Black Sox scandal all over again."

It's deplorable, of course, there being no more serious sin in sport than not trying. The instant inclination is to see Miller as one tough and forthright fellow, quick to spot a cancer, expose it and then eliminate it. Skeptics see it as the first time anyone ever slung mud with his face buried in the sand.

You mean that the Pan Am Games was the first time Miller ever raised his drug antennae? The first time he ever wondered if a few of our fine young men and women would resort to the win-at-all-costs methods alleged of the East Germans and Soviets?

Whatever, the USOC has never fought for drug testing.

Why?

"Drug testing is a highly complex technical and logistical process when applied to the practices in sports, especially with respect to detection of hormonal drugs," the USOC argues. "These procedures and resources were not available in the U.S."

They could have been.

In July 1980, Dr. Arnold Beckett of the International Olympic Committee's drug commission said, "Within a year, certainly in two years, we'll have a test for testosterone" — the male hormone that can be taken to maintain the benefits of banned steroids.

He was exactly right.

So ignorance is no excuse for USOC neglect.

Cost?

Hell, no. The USOC is the greatest athletic fund-raising agency on the face of the free world. Seemingly, every red-white-and-blue company in the country is an official sponsor of the U.S. Olympic team. For a tax writeoff. Until last week, however, the USOC devoted dollars for goodwill and not a cent for common sense.

Serious testing would have nipped the drug scandal at home. Long ago. And since ignorance and cost have been eliminated as reasons for not having tested, perhaps there are others — the fear of tainting the Los Angeles Olympics and the fear that those among our fine young men and women who cheat would not be eligible for those '84 Games.

The general secretary of the International Amateur Athletic Federation, track and field's governing body, was asked at the world championships in Helsinki about U.S. foot-dragging on the drug issue.

Essentially, John Holt said that the IAAF has had testing in 50 track-and-field competitions — in China, Japan, Australia, even in Africa. But not one in the United States.

Holt would let those numbers speak for themselves.

"Present cost estimates are approximately $250,000 for drug-testing between October and the Summer Olympics," the USOC said. "However, the protection of our athletes' health requires this investment, now that a feasible program is within reach. We will find the wherewithal somehow for this major priority."

Somehow, the going-broke British have been diligent on drug matters for 20 years or so. How they try to make sure their athletes are clean is by random testing at training sites. Not by announcing specific testing dates, so the clever cheaters can make appropriate corrections, but by suddenly swooping in on the suspicious.

That seems the best way to do it.

United Press International

Dwight Schofield, here dumping Rod Schutt in Wednesday's early going, scored the game-winner at 8:33 of the third period as St. Louis took its NHL opener against Pittsburgh.

NHL Standings

WALES CONFERENCE	W	L	T	Pts	GF	GA
Patrick Division						
N.Y. Rangers	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0
Philadelphia	0	0	0	0	0	0
Washington	0	0	0	0	0	0
Pittsburgh	0	1	0	0	3	5
N.Y. Islanders	0	1	0	0	3	7
Adams Division						
Quebec	1	0	0	2	7	3
Boston	0	0	0	0	0	0
Buffalo	0	0	0	0	0	0
Hartford	0	0	0	0	0	0
Montreal	0	0	0	0	0	0
CAMPBELL CONFERENCE						
Norris Division						
St. Louis	1	0	0	2	5	2
Chicago	0	0	0	0	0	0
Detroit	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0
Toronto	0	0	0	0	0	0
Smythe Division						
Calgary	0	0	0	0	0	0
Edmonton	0	0	0	0	0	0
Los Angeles	0	0	0	0	0	0
Vancouver	0	0	0	0	0	0
Winnipeg	0	0	0	0	0	0

Tuesday's Results

Quebec 7, N.Y. Islanders 3 (Hunter 3 (3), Berglund (1), Goulet (1), Cote (1), P.Stastny (1); Bossy (1), B.Sutter (1), Gorine (1)).

St. Louis 5, Pittsburgh 0 (Federko 2 (2), Patterson (1), Schofield (1), Sutter (1); Bullard (1), Errey (1), Bullard (2)).

China to Host Soccer Event

The Associated Press

NEW YORK — The Peoples Republic of China plans to hold a world soccer tournament in Beijing next June with $1 million awarded to the champion, a Boston-based consulting and marketing firm announced late Tuesday.

The event is expected to be an annual event, said Marshall Medoff, president of IMICO, whose company is negotiating for international television arrangements via satellite from China and corporate sponsorship of the tournament.

Medoff said eight teams from world powers, including host China, were expected to participate in the inaugural tourney. He said he expected the field to be increased thereafter.

He said organized clubs rather than all-star teams would be sought, with an international panel deciding the eight teams from an original list of about 16. Teams from the Soviet Union, the United States, Europe and South America were expected, he said.

He said formal authorization of the tourney was expected from FIFA, the international governing body of soccer.

Tentative dates for the tournament are June 8-18 at Beijing's 110,000-seat Workers Stadium, Medoff said.

Zhen Feng Rong, a vice president of China's athletic federation, was among the Chinese officials on hand for the news conference.

Reds Hire Rapp As Field Manager

The Associated Press

CINCINNATI — The Cincinnati Reds on Tuesday hired Vern Rapp to replace Russ Nixon as manager. Nixon had taken over on July 21, 1982, succeeding John McNamara. His contract expired after the 1983 season.

A coach for the Montreal Expos for the past five seasons, Rapp signed a two-year contract with the Reds. He managed the St. Louis Cardinals in 1977 and part of 1978, taking took over a team that had finished fifth, 18 games under .500 in 1976 and guiding it to a third-place 83-79 mark in 1977.

The Reds finished with a 27-43 record in 1982 under Nixon and were 74-88 this year, last in the National League West.

Transition

United States Football League

MICHIGAN—Named Vince H. Lombardi president and general manager.

PHILADELPHIA—Signed Duane Bell, defensive tackle, Bill Hardee, defensive back, Thomas Askew, Marvin Hinton, Barry Comeau, Mack Cummings and Chester Cooper, wide receivers, Tony Gresham, Bryan Thomas and Darren McClelland, running backs, Jeff Kiesel, offensive tackle and Mike Lang, tight end.

PITTSBURGH—Signed Curt Carlon, Greg Caldwell, Jeff Kyser, punters, John Borso, kicker, Greg Jones, Tom Bennett and Andy Olivio, running backs.

SAN ANTONIO—Signed Victor White, offensive tackle, Marvin Lenhart, offensive guard, Peter Raeford, cornerback, and Joy Lewis, linebacker.

WASHINGTON—Signed Garnest Brown, defensive tackle.

HOCKEY

National Hockey League

BUFFALO—Sent Jacques Cloutier, goaltender, Dave Fenyves and Mark Ramoud, defensemen, and Steve Patrick and Normand Lacombe, right wings, to Rochester of the American Hockey League.

HARTFORD—Assigned Paul MacDermid and Randy Pierce, right wings, and Bob Sullivan and Paul Fenton, centers, to Binghamton of the American Hockey League. Returned Mark Paterson, defenseman, and Paul Lawless, left wing to their junior teams. Cut Martin Matlinowski, center.

QUEBEC—Announced the retirement of Marc Tardif, left wing.

ART BUCHWALD

Keeping Your Innocence

WASHINGTON — I am constantly fascinated when I read in the newspapers that the Justice Department or a federal agency has just arrived at an agreement with a large company or powerful individual accused of wrongdoing.

The stories read something like this: "The Double Jeopardy Automobile Company agreed with the Justice Department not to manufacture any more of their Double Y cars without brake pedals. The company paid a $50,000 fine, and said it would recall all Double Y cars now on the road that are missing the brake pedal.


Buchwald

While paying the fine and making the recall, Double Jeopardy executives denied that there was a problem with the Double Y car, or a reason for the recall."

I consulted a lawyer friend to ask him exactly what it meant when the company was fined, agreed to recall all its cars, and still was able to maintain its innocence.

"They have to do that," he said. "Otherwise the company would open itself up to a lot of frivolous lawsuits."

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"I understand that. But why would the government allow them to maintain their innocence when Double Jeopardy forgot to put a brake pedal on the car?"

"The government is more concerned with getting the cars fixed than punishing the company for incompetence. If they bring Double Jeopardy to trial it's going to take years to resolve the problem, and in the meantime a lot more people could get killed."

"Suppose the company knowingly was selling cars without brake pedals? Isn't that a criminal offense?"

"Possibly. But let's start at the beginning. Double Jeopardy puts out a Double Y car without brake pedals. The engineering department catches it after the millionth car is on the market. They inform their salespeople, who tell them to shut up. Finally, the government safety people get wind of it and, after testing the vehicle for two years, come to the conclusion that the Double Y could cause a danger on the highway.

"They contact Double Jeopardy and say their data indicates the Double Y car may have a flaw in its braking system. The company responds by saying the safety agency did not test the car under road conditions, and the only time people have accidents in a Double Y car is when they try to stop it.

"The safety agency studies the data submitted by Double Jeopardy and concludes the only thing that can stop a Double Y car is a brick wall. In preparation for this negative reaction, Double Jeopardy has hired the best law firm in Washington. The lawyer calls his friends at Justice and says he is shocked that the auto safety agency would pick on an American car firm just as the economy is starting to shape up. He offers to meet with the Justice Department lawyer to work out an equitable solution. They make a date for a golf game at the Burning Tree Club."

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"It sounds so civilized," I said.

"It is. Usually by the ninth hole an agreement can be hammered out. In the case of the Double Y car, the Justice man says, because of the publicity, he can't look the other way and Double Jeopardy will have to be fined and go ahead with a recall.

"The lawyer for the company says this is all right with him, providing Double Jeopardy doesn't have to admit there is anything wrong with the car.

"The Justice Department lawyer says he is sure he can get the auto safety agency to agree to the stipulation, providing Double Jeopardy promises not to do it again."

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"This is where I always get confused," I said. "Double Jeopardy agrees with the government there is a serious defect in the Double Y car, but doesn't have to admit it to its customers."

My lawyer friend said, "That's because you don't understand how the government and big business work. The government's job is to protect the consumer; the company's job is to protect their sales. As long as both sides sign an agreement that they know the company botched, the law is satisfied without admitting it, and no one really gets hurt."

Chinese Pianist Resumes His Interrupted Career

By Harold C. Schonberg
New York Times Service

NEW YORK — Yin Chengzong, who gave a Carnegie Hall piano recital on Sept. 28, comes from the People's Republic of China, and was briefly in the news in 1973, when the Philadelphia Orchestra — the first American orchestra ever to appear on the Chinese mainland — gave concerts in Beijing and Shanghai. Eugene Ormandy wanted to put some Chinese music on his program. But Chairman Mao was alive, the Cultural Revolution was still in progress, and there was not much to choose from. So, *faute de mieux*, the "Yellow River" Concerto was selected.

Remember the "Yellow River" Concerto? It did have a brief vogue 10 years ago. It was one of those awful ideologically approved pieces of socialist-realism propaganda, but it was so bad it actually had kitsch value, and it did have a glittering and rather difficult piano part. Yin was the pianist selected by Ormandy to play it. That was only right, for Yin was one of the committee of composers who had written it. Another musician took care of the orchestration, a third of the ideological content, and there was a fourth mysterious presence who contributed something or other.

Anyway it was clear at the rehearsals that Yin was no ordinary pianist. He blazed through the piano part with utter abandon and virtuosity. Too much abandon at times. Ormandy kept trying to hold him to a steady rhythm. "Look at me! Look at me!" he kept pleading. "Follow my beat! Don't jump ahead!" Yin would say yes, then get excited and forge ahead. After the last rehearsal Yin soulfully gave Ormandy a promise. "I will look at you. I will look at you." Which he did, and the performances went splendidly.

It turned out that Yin had been a child prodigy, had studied in China with Russian teachers, had been sent to Leningrad for intensive study, had won a competition in Vienna and come in second at the 1962 Tchaikovsky competition in Moscow, had done a bit of concertizing.

Yin's recital consisted of Scarlatti, the Mozart Sonata in C (K. 330), Beethoven's "Appassionata" and the Liszt B minor, and Bernard Holland, in The New York Times, wrote that he "showed an acute and not at all self-conscious understanding of European classical style," and that his performance of the Liszt sonata "taken on its own theatrical terms, worked very well."

What happened was that Ormandy told the concert manager Harold Shaw about Yin. Shaw flew to San Francisco, where Yin was staying with relatives, heard him play and signed him to a three-year contract. For Shaw, Yin wrote a little autobiographical sketch, the first paragraph of which is certainly arresting enough:

"I was born in 1941 in Fukien, a southern province of China. My home town was a very small island called Goolangyu in the East China Sea. It belongs to the big city of Amoy. It is famous as a 'musical island.' My parents were not musical, but all my sisters and brothers liked music very much. My father, according to Chinese custom at that time, had two wives. My mother had 10 children. The other wife had five. I am the eighth child of my mother."

Yin goes on to tell about his half-brothers and half-sisters. All studied in the United States about 50 years ago. The youngest half-brother, who is 77, now lives in California. But Yin's mother, now 76, still lives in her home town. Several of Yin's half-brothers and half-sisters became professional musicians. As a child, Yin sang in churches, started piano around the age of 6 and sought competent teachers.

"In our home," he writes, "there were too many children and not enough money for me to be able to study piano. But I wanted so much to study that I helped the other mother set out her shoes, and she gave me two U.S. dollars and I took one dollar and went to have my first lesson with the wife of the pastor."

Set out her shoes?

Yin explained the other week. The other mother had money. Indeed, she was rich. She owned many shoes. So young Chengzong would carefully arrange the footwear, for which he got $2. Of that, $1 went for four lessons a month. The other half of the money was spent for sheet music. Things progressed. At 9, Chengzong gave his first recital. "I played well, selecting Schubert's 'Marche Militaire' and Serenade, a Chopin waltz, Paderewski's Minuet and also my own compositions. The high school auditorium was sold out. I earned money toward the tuition of my brothers and sisters."

He clearly was talented, and was admitted to the Shanghai Conservatory, where he not only studied piano but also sang Schubert songs to his own accompaniments. He worked with a Russian teacher and, in 1959, won first prize at the World Youth Festival in Vienna. In 1960, he graduated from the Shanghai Conservatory and was sent to Leningrad. After taking second prize at the 1962 Tchaikovsky competition he toured the Soviet Union. In 1963 he returned to China, joined the Central Philharmonic Society as soloist, and has held that position ever since.

Some Chinese musicians had a terrible time during the Cultural Revolution. Yin was one of the lucky ones. He was not sent to a rehabilitation or labor camp. Instead he played in many Chinese cities. But it was not Western music that he played. Three or four ideologically approved works — the "Yellow River" Concerto was one — and some transcriptions of Chinese music that he himself composed were all that he was allowed to play. He met a pianist and married her in 1976. They have a daughter. Wife and child are with Yin in New York. Mrs. Yin is studying with Robert Goldsand at the Manhattan School of Music.

But she got here before Yin, arriving in 1980. Under the current Chinese administration, some talented young people are permitted to leave the country for study abroad. It was not until last March that Yin reached California. He secured a working permit that allows him to stay in the United States for three years.


William Sauro/The New York Times
Pianist Yin: No more "Yellow River Concertos."

He got here late in the season and thus was not able to hear many concerts. But he did hear Alicia de Larrocha at a Mostly Mozart concert, and loved every note of it. Then he heard Magda Tagliaferro, the venerable Brazilian-French pianist, and was so impressed by the elegance of her style that he sought her out, played for her and got a few lessons.

He is not entirely unsophisticated musically, even though a good chunk of his professional life was removed during the Cultural Revolution. In Russia he went to some kind of musical event every night — the opera, concerts, chamber music and symphony. He heard the greatest of Soviet artists and was especially impressed — as who is not? — by Emil Gilels and Sviatoslav Richter. He collected all of the Horowitz records he could get his hands on. He heard Arturo Benedetti Michelangeli, whom he regards as one of the world's supreme pianists.

His own style he describes as basically Russian, and that could not be otherwise considering his training. But, he says, he also brings to his Russian style "a background of 5,000 years of Chinese history," and he thinks that that must have some bearing on his musical philosophy.

Basically, of course, he recognizes himself as a Western pianist who has a good deal of catching-up to do. For about 10 years during the Cultural Revolution he had to play the same silly pieces over and over again, trying to sneak a few hours here and there to practice his own repertory. Not until 1980 was he allowed to brush up, and he did play a few concertos in China and, later, in Japan — the Rachmaninoff Second and Third, the Liszt Second and other virtuoso fingerbreakers.

The curious thing is that for a well-built man, Yin has surprisingly small hands. But the spread between thumb and index finger is wide, and he has unusually long little fingers. Thus he can squeeze out a tenth when he has to. "My hand seems to be growing," he grinned. "Only a few years ago I had a very small stretch. Now I can play all sections of the Rachmaninoff Third." With his Carnegie Hall recital behind him, perhaps the United States will be hearing how he handles the Rachmaninoff and the other music he so dearly wants to play.

PEOPLE

Winds and Snow Delay U.S. Climb of Everest

Jet streams of more than 50 miles an hour lashing Mount Everest's summit and two days of heavy snowfall forced a U.S. team to postpone its final assault on the peak of the world's highest mountain, the Ministry of Tourism said in Katmandu. The U.S. expedition is trying to place the first American woman atop the 29,028-foot peak in the Himalayas and to complete the first autumn conquest via the treacherous western ridge. "As soon as the weather improves the team will again start their summit attack," the ministry said, quoting base camp reports dated Monday. The expedition began its climb Aug. 24. **Todd Bibler**, 31, from Boulder, Colorado, and a Sherpa, **Ang Jangbu**, 21 — chosen as the first team members to make a summit bid — have been in their tents at the team's 27,200-foot camp waiting for winds and snowfall to subside. Three of the team's five women climbers plan to scale the peak in a second and third ascent team, the ministry said.

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A 12-year-old girl who has never received a formal classroom education became Britain's youngest university student Wednesday. **Ruth Lawrence**, whose father quit his computer job to teach his daughter himself when she was 5, started studying mathematics at the all-female St. Hugh's College in Oxford. Ruth said she wants to be a math professor at Cambridge University when she grows up. She beat 530 candidates aged 17 and 18 to rank first in the college's entrance exam. . . . **Prince Hiro**, 23, of Japan, second in line to Emperor Hirohito's throne, took up residence at Merton College in Oxford University Tuesday to start studying for an advanced degree in history.

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The Nansen Medal for outstanding service to the cause of refugees was awarded to **President Julius Nyerere** of Tanzania in a ceremony at the European headquarters of the United Nations in Geneva. The UN high commissioner for refugees, **Poul Hartling**, said Tanzania had cared for "hundreds of thousands" of refugees over the last two decades. Many returned to their home countries after they became independent, but an estimated 200,000 have been absorbed into the host population, he said.

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